

NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
June 19, 2017, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

A work session was held at 6:00 p.m. preceding the meeting. Present were Mayor Bob Andrews, Councilors Patrick Johnson, Scott Essin, Denise Bacon, Mike Corey and Stephen McKinney. Also present were City Manager Joe Hannan, City Attorney Truman Stone, City Recorder Sue Ryan, Library Director Leah Griffith, and Assistant Finance Director Caleb Lippard

Mayor Andrews called the meeting to order. He had two items for Council Business. Councilor Johnson suggested a future discussion on Charter amendments. Mayor Andrews stated the Councilor candidate interview was canceled as the candidate had withdrawn from the process. He suggested reopening the recruitment now and keeping it open through July.

City Recorder Ryan reminded the Council to register for the League of Oregon Cities Annual Conference in September. There was a brief discussion on the grand opening of the Habitat for Humanity ReStore on Saturday.

City Manager Hannan gave the City Manager update. He and the Mayor presented the City's perspective on the TVFR annexation to the Newberg City Club. He met with staff and attended various community meetings. He worked on emergency preparedness equipment for local churches, preservation of two Oak trees on Villa Road, worked on a New Resident to Newberg brochure, worked tracking public information requests, and worked on the City Communications Plan. He met with the Sheriff to discuss animal control and about a search and rescue building. He was now a CERT trained volunteer. He met with veterans groups regarding veterans' banners and brackets. He also met with the Anvil Academy owner to discuss a tourism bus proposal.

Mayor Andrews had received a suggestion for Council to receive a quarterly review of the Council Goals during a Work Session. There was consensus to receive a quarterly review.

City Recorder Ryan gave details about the Newberg Old Fashioned Festival Parade. Library Director Leah Griffith invited Council to attend Public Works June 28. She reported on the Stop, Drop, and Read program. About 1,000 people registered for Summer Reading.

CALL MEETING TO ORDER

The Mayor called the business session to order at 7:00 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews	Scott Essin	Stephen McKinney
	Mike Corey	Denise Bacon	Patrick Johnson
	*District 1 Seat vacant		

Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney
	Sue Ryan, City Recorder	Doug Rux, Community Development Director
	Steve Olson, Senior Planner	Kaaren Hofmann, City Engineer
	Leah Griffith, Library Director	Caleb Lippard, Assistant Finance Director

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PRESENTATIONS:

Government Finance Officers Association Certificate of Achievement

Mayor Andrews announced the City had received a Certificate of Achievement for excellence in financial reporting. He thanked the Finance Department for their work.

COUNCIL APPOINTMENTS: Library Board Appointment:

MOTION: Johnson/Bacon moved to approve the appointment of Shane Corsetti to Position #3 (July 2017 to June 30, 2021) to the Newberg Public Library Advisory Board. Motion carried (6 Yes/0 No).

Riverfront Master Plan committee appointments:

MOTION: Essin/Johnson moved to approve the appointment of members to the Riverfront Master Plan Citizens Advisory Committee beginning July 2017 and ending February 2019 including Denise Bacon (Newberg City Council liaison), Brett Baker, Todd Baker, Fred Gregory, Saj Jivanjee, Kym LeBlanc-Esparza, Geary Linhart, Ayla Zahler Holstein, Brian Love, Stan Primozech (Yamhill County Commission liaison), Mike Ragsdale, Chris Strub, Ron Wolfe and Lesley Woodruff. Motion carried (6 Yes/0 No).

Various Committee appointments:

MOTION: Bacon/Johnson moved to approve the Mayor's re-appointment of Marilyn Van Grunsven and Sarah Grider to the Citizens Rate Review Committee for a three-year term of July 1, 2017 to June 30, 2020; re-appointment of student member Zoe Jenkins to the Historic Preservation Commission for a one-year term of July 1, 2017 to May 30, 2018; re-appointment of student member Miranda Piro to the Planning Commission for a one-year term of July 1, 2017 to May 30, 2018; and appointment of student member Capri Wheaton to the Traffic Safety Commission for a one-year term of July 1, 2017 to May 30, 2018. Motion carried (6 Yes/0 No).

PUBLIC COMMENTS: Rebecca Wallis spoke about Animal Control in Yamhill County. Her organization, Family Pet Partners, met with the Sheriff and gave a proposal for what they could offer the cities of the County as an umbrella organization and also met with Newberg Police Chief Casey and gave a proposal with what they could offer Newberg specifically. Her organization was working with Yamhill County on rewording its ordinance so they could work with nonprofits.

CONSENT CALENDAR:

MOTION: Bacon/Johnson moved to approve the Consent Calendar including Council Minutes for May 15, 2017; Resolution 2017-3382, A Resolution to authorize the City Manager to execute Amendment No. 1 to a Cooperative Improvement Agreement (No. 28658) with the Oregon Department of Transportation for the Oregon Route 18: Newberg-Dundee Bypass; Resolution 2017-3385, A Resolution approving the annual evaluation of the City Attorney completed on June 5, 2017; and Resolution 2017-3386, A Resolution to authorize the City Manager to terminate and accept access easements related to a partition and medical clinic project. Motion carried (6 Yes/0 No).

PUBLIC HEARING:

Ordinance 2017-2815, Dutchman's Ridge Annexation, continued:

Mayor Andrews re-opened the public hearing and read the hearing statement. He called for any abstentions, ex parte contacts, and objections to jurisdiction.

Councilor Essin had written and sent some emails regarding this annexation. Those emails had been forwarded to the City Attorney. He also talked with staff about what was involved in the Council's decision and had read the Planning Commission meeting minutes on this item. He talked to Mike Gougler about what was involved in getting affordable housing in the City. Councilor McKinney had been stopped at the grocery store on numerous occasions to talk about this application. He had stopped the discussion as quickly as possible. He had also received many emails, many of which he forwarded to staff.

Councilor Johnson said he had ex parte communication as outlined in the Council packet. In addition, John Stanley, Dundee resident, had come up to him at work and had tried to discuss this issue with him. Councilor Johnson told Mr. Stanley that he could not talk about it. Also Corey Zielsdorf, Newberg resident, called him, but he did not remember the conversation as he was on pain medication at the time. He did not think these contacts would impact his decision. Councilor Bacon received an email from Rick Rogers, but it did not have any information about the case. Mayor Andrews said he had communicated with staff regarding procedure, not content.

Senior Planner Olson presented the staff report. The annexation proposal was for three parcels that totaled a little more than 25 acres on North Valley Road. It was a low density residential Comprehensive Plan designation and the applicant was proposing to zone it R-1. The Council held a public hearing May 15 where they approved denial of the application but continued the hearing to June 5 for revisions. On May 22 the applicant sent a letter to staff extending the 120 day rule for an additional 90 days. The applicant requested Council re-open the public record to submit additional evidence. At the June 5 meeting, the hearing was continued to June 19 where the public testimony would be re-opened on a limited basis to address the ex parte communications and allow testimony only on the ex parte communications. All of those communications were collected and were included in the Council packet. The two issues for Council consideration were to declare ex parte contacts, to take public testimony and to consider whether to grant the applicant's request to continue the hearing to August 7 and re-open the public record to accept written and oral testimony.

Mayor Andrews asked if all the written ex parte communications had been received. Senior Planner Olson said one additional communication had been received today and a copy of it was given to the Council that night.

Proponents:

Michael Robinson, land use attorney, was there for applicant Del Boca Vista. He gave rebuttal on the ex parte contacts. His client supported affordable housing. The issue was whether the Council was applying the mixed policy. He did not think it was appropriate to apply the policy for this application. The applicant was requesting continuing and re-opening the hearing so he could discuss why this was not the best way to achieve affordable housing. There were other applications that included affordable housing. Regarding comments that a rule was a rule, this policy had legal problems. Requiring an applicant to start over an application after it was deemed complete was problematic. Because the mixed policy was under the heading of affordable housing in the Comprehensive Plan, it might also run afoul of ORS 197.309(1), which expressly stated local governments could not make decisions that had the effect of imposing price points on housing. There should be a full discussion of these issues. He encouraged Council to follow staff's recommendation to continue and re-open the hearing.

Marc Willcuts, Del Boca Vista, thought they should re-open the hearing due to all of the issues that had come into play other than affordable housing. He was a long-term resident and business owner in Newberg and wanted to be a good neighbor. People wanted less density, not more, and it was difficult to achieve affordable housing. He gave examples of projects where in order to make neighbors happy the projects had to be less dense. For this application, there had been a neighborhood meeting, a meeting with City staff and staff recommended approval. The Planning Commission also approved the application. When it came to Council, a small minority raised their voice and things deteriorated. They had put in many hours and money on this project. Some lots had been sold based on the R-1 designation and now the rules might change. This was not the right place for affordable housing as it was not close to City services. He had done entry level housing projects in the City, but this was the wrong place for that. The cost of the land would not make any R-3 on these lots affordable.

Councilor Bacon said there was a need for all types of housing in Newberg. Affordable was relative as R-3 made good luxury housing as well. Mr. Willcuts said if R-3 was included on these lots, there would be many upset neighbors coming to testify. There were only a few people who wanted R-3 here.

Chris Strange, Newberg resident, asked if proper notification was done for the residents next to the development. CA Stone said this was outside of the ex parte communication issue. There would be another time when Mr. Strange could express his concerns.

Jeff Smith, Del Boca Vista, had worked on several subdivisions in the City. He planned to submit an application for almost exclusively affordable housing. He did not think it good planning to put high density on the City's outskirts. It should be in the City core. Affordable housing needed to be put in the right places for the right reasons. Affordable housing was on smaller, condensed lots that had to have the right topography and the right neighborhood around it to fit in properly.

Opponents:

Lisa Rogers, Newberg resident, thought the ex parte communications had no impact on the decision the Council made at the last Council meeting. Without an impact, there should be no need to continue and re-open the hearing. The ex parte communications did not provide any further evidence that would impact the decision.

Charlie Harris, Newberg resident, hoped the Council would disregard everything that had been said by the proponents. It had nothing to do with ex parte contacts. It was a back door way to get additional testimony in on the hearing that they had not yet had.

Rebuttal:

Jessica Cain, Del Boca Vista, said they requested opening the record prior to learning about the ex parte communications issue. It was not a back door attempt to try to re-open the record. It was not just the email from Rick Rogers thanking the Council for the decision they made, but Planning Commission minutes that were ex parte communication because they were not part of the Council record yet they were reviewed and relied upon in supporting the decision that was made. Regarding testimony about a proposed affordable housing development, that was a 40 acre site and would create approximately 280-300 units. Mr. Rogers was aware of this but sat in front of Council and discussed the fact there was a dire need for R-3 and that there was nothing in the works and needed R-3 immediately. This affordable housing proposal was a more suitable site than property at the edge of City limits where services would likely never be expanded.

Mayor Andrews closed public testimony on the rebuttal to ex-parte communication.

MOTION: Johnson/McKinney moved to continue the public hearing to August 7, 2017, at 7 p.m. and to re-open the public record to accept written and oral testimony. Motion passed (5 Yes/1 No [Bacon]).

CA Stone said this was still a quasi-judicial hearing and he cautioned the Council regarding ex-parte communications.

NEW BUSINESS:

District 1 Council Appointment: This item was not considered as the sole applicant, Marc Shelton, withdrew his application on June 16, 2017.

Ordinance 2017-2818, Merchants Exemption for the Old Fashioned Festival:

Mayor Andrews opened the public hearing. He called for abstentions, conflicts of interest, and objections to jurisdiction. There were none.

City Attorney Stone gave the staff report. The Council passed a 2009 ordinance declaring an Old Fashioned Festival zone. It limited street vendors and temporary merchants operations within that zone. In 2011, the Old Fashioned Festival zone expanded to include the Cultural Center and parade route. Last year there was an issue with a temporary vendor who had a food cart located in the parking lot behind Social Goods and was operating

not only for the Festival but at other times throughout the year. The question was how the Code applied to temporary merchants. A compromise protected the Old Fashioned Festival zone from unauthorized vendors as well as protected temporary vendors that worked in the City on a permanent or semi-permanent basis. CM Hannan said the economy and downtown were changing. The tradition of the Festival was special and the City participated in it. They wanted everyone to be successful. There was discussion on the 90 days in the ordinance. CA Stone said the Council could reduce the number of days. They did not want someone to come in the weekend before the Festival and claim that they were an existing business.

There was no public testimony. Mayor Andrews closed the public hearing. CA Stone recommended adoption of the ordinance.

MOTION: McKinney/Bacon moved to waive the second reading of Ordinance 2017-2818. Motion carried (6 Yes/0 No).

MOTION: McKinney/Johnson moved to adopt Ordinance 2017-2818, An Ordinance exempting certain temporary vendors and street vendors located in the Old Fashioned Festival Zone from the provisions of Newberg Municipal Code 5.15.121 to be read by title only. Motion carried (6 Yes/0 No).

Resolution 2017-3383, Chehalem Valley Chamber:

Community Development Director Rux said in 2015 the City entered a new agreement with the Chamber of Commerce for visitor information services, which required an annual report. The report needed to include a detailed budget, identification of activities, and a statement of performance goals.

Sheryl Kelsh, Chamber Director, discussed the 2017-18 Destination Marketing Plan. There were 11 key marketing tactics. One centered on their website presence. The second area they were working on was expanding their social media presence. Other areas were public relations, communications, leveraging partner relations, event sponsorship support, visitor services, meetings and retreats, workforce development, community and government relations, and industry relations. These were what they would be working on this year. There was discussion on branding, decline of people coming to the visitor center, and lack of signage for the new visitor center location. CDD Rux said staff recommended approval of the resolution.

MOTION: Bacon/Johnson moved to approve Resolution 2017-3383, A Resolution approving the Chehalem Valley 2017-18 Destination Marketing Plan. Motion carried (6 Yes/0 No).

Resolution 2017-3381, Affordable Housing Trust Fund awards:

CDD Rux said in August 2016 the Council amended the policies and procedures for the Affordable Housing Trust Fund with a new program for local manufactured home maintenance and repair. Initially \$10,000 had been identified for manufactured homes. The Affordable Housing Commission put together guidelines. Newberg Area Habitat for Humanity had an interest in applying for the grant and becoming the administrator. Habitat submitted an application for \$10,000 and would match it with \$4,925 for the minimum requirement. They were a 501(c) 3 organization and the funds would be tied to the Brush for Kindness program. They would do five to 10 projects in a one-year period beginning July 1, 2017. There would be quarterly and year end reporting requirements. Some homes had already been identified for the program.

Lisa Rogers, Newberg resident, thanked the Council for considering the grant request to help those in dire need of repairing their manufactured homes. CDD Rux said staff recommended adoption of the resolution.

MOTION: Corey/McKinney moved to approve Resolution 2017-3381, A Resolution awarding Affordable Housing Trust Fund Manufactured Home Rehabilitation and Repair grant program funds of \$10,000 to the Newberg Area Habitat for Humanity. Motion carried (6 Yes/0 No).

Resolution 2017-3384, Master Fee Schedule:

Assistant Finance Director Lippard said in April 2016 a Master Fee Schedule was established by resolution. It was updated in April 2017 and staff recommended two additional updates. The first was to repeal the \$35 property reservation fee for the Butler property, Francis Square, and Memorial Park gazebo. The reasons for the repeal was there had been minimal reservations and the City wanted to support non-commercial civic uses. The second change was to add a utility right-of-way application fee. The packet stated this fee would be \$1,200 but through further analysis of costs and staff time, staff recommended the fee to be \$500.

MOTION: Bacon/Corey moved to approve Resolution 2017-3384, A Resolution to update the Master Fee Schedule for the repeal of the property reservation fee and the approval of a utility right-of-way application fee to be \$500 instead of \$1,200. Motion carried (6 Yes/0 No).

TLT Destination Development Marketing materials:

CDD Rux said the Council created a Transient Lodging Tax ad hoc committee and funds were budgeted for a pilot program for small grants and a larger grant for destination development marketing. The committee's final proposal was in the Council packet. They aimed to solicit proposal July-September. The committee would review applications, and make a recommendation to Council. There was \$250,000 budgeted for Fiscal Year 16-17. Since it would not be spent, it was carried over to Fiscal Year 17-18 budget making a total of \$430,000 available for the program. Applicants would be notified in January 2018 if they received a grant.

Tualatin Valley Fire & Rescue Annexation:

CM Hannan said this was the halfway point of a two-year contract with Tualatin Valley Fire & Rescue. This was to explore whether TVF&R was the right fit for the community. By the end of June 2017, the Council had to indicate what they wanted to do. If they went with annexation, it would take almost a year for the process. If the City did not go forward, it could take a year to reconstitute the Fire Department. Reasons for the change included increased demands for service, cost of equipment, and lack of needed volunteers. The feedback from the 200-person survey was an expression of confidence in the current service by TVF&R.

CM Hannan said people thought if the City got out of the business of fire and rescue, they wanted to make sure there would not be a double payment. They wanted the funds to transfer over to TVF&R and the City would no longer collect fees. The City collected money from several sources to fund General Fund operations. The City took the amount of money it cost this year for TVF&R and translated it to property tax and found it was the equivalent of \$1.88. People had said if the City moved to TVF&R, to not levy \$1.88 in property taxes. There were two focus groups held at the Library and more than 60% said if there was going to be a change of cost to taxpayers they wanted to vote on the annexation. Staff recommended to proceed annexing to TVF&R contingent upon a November 2017 measure, and the to not levy the \$1.88 in the upcoming budget year.

At the community meeting last week, there was a question about what it would cost if Newberg took the Fire Department back. If they took the department back, turned four part time fire fighters into full time employees and added two additional people to provide 24/7 coverage, it would cost \$4.5 million which equated to \$2.51. If they wanted to mirror the service provided by TVF&R with enhanced staffing, it would be the equivalent of \$3.76. In the packet were five emails and letters that requested taking this annexation to a vote and to not levy the \$1.88.

Councilor McKinney asked about the cost breakout and if it accounted for benefits and retirement. CM Hannan said it did. The City was responsible for the retirement liability when someone worked for the City and when they moved to another organization the liability moved on to the next agency. Councilor Essin asked if this would be a permanent tax rate. CM Hannan said this would be equivalent to what a tax rate would be. They did not typically have rates for police and fire. The permanent tax rate was the total for all City services. If they needed more funds beyond the permanent tax rate, the City could go out for a local option levy or bond and if approved, that would be a rate in addition to the permanent rate. The numbers he gave were the equivalent of

how much of the permanent tax rate would have to be dedicated to fire services. TVF&R was willing to provide the service for \$2.07. Right now with a balanced budget, the City was dedicating \$1.88 to fire. If the voters wanted the Fire Department back, the cost was \$2.51 or \$3.76. The additional funds would have to come from someplace else, which included possible cuts in other areas or asking the voters to make up the difference through a levy.

Councilor Essin said the Newberg Rural Fire District had suggested contracting with the City for \$1.91 and the City would not join TVF&R. Would that reduce the \$2.51 and \$3.76 if they went with that option. CM Hannan had not run the numbers. The rural district had been paying a low rate and if they were brought in with the City it would not be a deal for the rural district. They would not find a lower rate than the TVF&R rate of \$2.07.

Councilor Johnson asked if staff had researched forming a City district and contracting with other nearby cities such as Dundee or McMinnville. CM Hannan said there had been interest from rural districts and McMinnville of exploring creating a district. The biggest challenge was the difference in communication systems. Newberg did not have enough employees and equipment. There was a sense of urgency that made them reach out to TVF&R. All of the numbers he presented had been reviewed and confirmed.

Proponents: Andy Willette, Newberg firefighter, had lived in Newberg and started as a volunteer firefighter and paramedic. He became a full time employee in 2007. His current rank was Lieutenant Paramedic and he was assigned to the downtown Newberg fire station. Newberg Fire was rich in tradition and embedded in the community. It had provided service for 118 years. They had accomplished a lot with minimal staffing. Since he had been hired, the call volume had increased each year and no additional firefighter positions had been added. In addition they had to deal with budget constraints. Staff began struggling with mental fatigue and there was a decline in volunteers. He discussed his last fire call at Newberg Fire Department and how there was not adequate resources. TVF&R ran a sustainable program and had added staffing, apparatus, and tools to operations. Staff and assignments were consistent. If additional resources were needed they were dispatched promptly. He gave an example of a recent fire and contrasted that to his last fire call at Newberg. TVF&R had made responses to calls more than adequate. TVF&R had utilized several Newberg fire paramedics to assist in EMS training and simulations to the district. Another benefit was the health and wellness support from TVF&R. He asked Council to support firefighters and their families as well as citizens by allowing TVF&R to provide the highest level of service to the community.

Alex Haven, TVF&R, had lived and worked in Newberg since he was 7 years old. He was a Captain with TVF&R at the downtown Newberg station. He started as a volunteer and was hired as a full time firefighter 18 years ago. He had served the last eight years on the executive management team as a division chief over operations and training. He experienced first-hand the challenges and frustrations that came with managing budget shortfalls, staffing issues, and increased calls year after year. He thanked the Council for seeking sustainable options. He voiced the support of the Newberg firefighters for the annexation. TVF&R had provided the opportunity to ensure citizens and business owners had professional and fully dedicated fire and EMS services. They now had doubled staffing and were able to cover any emergency in the City. They also received regular and focused training that the City was not able to provide previously. TVF&R had a fire and life safety division with staff dedicated to services like fire and hazard prevention, code enforcement, and safety inspections. Prior to TVF&R, they were responsible for building maintenance, logistics, apparatus repair and maintenance in addition to their emergency response roles. Now they were able to focus on preparing for emergencies and other needs of the community. One of the most important components TVF&R provided was dedicated employee health and wellness to ensure they were physically and mentally prepared to respond to emergencies. Newberg firefighters could not provide these services, as there had not been enough funds. He was proud to be a Newberg firefighter and was proud to be a part of TVF&R. He encouraged Council to make TVF&R the permanent solution to fire and EMS services in Newberg.

Neal Klein, Newberg resident, served Traffic Safety Commission, was a volunteer firefighter for many years, and had been an ambulance worker. He currently was a Lieutenant Paramedic and thought TVF&R was a good company. He had seen the decline of volunteers and there were many requirements that Fire Departments were supposed to follow in regard to staffing and answering emergency calls. Newberg Fire was a great department, but they were at the point where the City could not sustain the department especially as Newberg was growing. He supported the TVF&R annexation. Trying to create a district with Dundee, McMinnville, or the rural districts would be starting from scratch and they would be hiring people who would not have as much training and experience. If it didn't work, in five or 10 years they would be back to the position they were in now. TVF&R was established and brought many positives to the table. He was not in favor of taking the annexation to a vote, especially if it would cost the City money. He trusted the Council to make the decision. He suggested using the \$1.88 for needed infrastructure improvements.

Bob Wyfells, Tigard resident, served on the Budget Committee and Board for TVF&R for the last 34 years. He had seen a lot of changes with the district and many other jurisdictions annexing in. They had fine-tuned the organization through a number of excellent fire chiefs and board of directors. Ideas from all employees were encouraged. The organization was run conservatively financially. It was one of the highest ranked fire districts in the country. They had been partners with Newberg for a number of years and had a close relationship with the community. Newberg Fire would not lose its identity, but would become stronger. The arrangement between Newberg and TVF&R had been a beautiful courtship so far. He urged the Council to make the decision tonight to join TVF&R. They would not let the City down.

Undecided:

Margaret Talt, Newberg resident, heard the presentation at Newberg City Club and the open house. She did not want more information about how Newberg would have input on major decisions at the district-wide level. She had called a fire insurance agent and was told there would be no change in insurance rates. While there was a Board of Directors and Newberg could be represented even if someone was willing to run for a position, it was a large district and there was not much chance for Newberg to be represented. She was concerned about future tax increases and if Newberg would have input. She thought annexation was in their best interest, but was concerned that Newberg's interests would not have a voice.

Opponents:

Camille Soppe-Navetta, Newberg resident, was concerned about the annexation without limiting the \$1.88 levy. Citizens wanted the City to limit the ability to levy the \$1.88. TVF&R had great service, but it only made sense at a certain cost. They were told to trust the Council, but a Charter amendment would ensure future Councils were held to the standard citizens wanted to set. The City Manager promising not to collect these funds for one year was not enough. The Council should seriously consider the Charter amendment option. The problem was not annexing into TVF&R, but what was going to be done with the tax money.

Lon Wall, Newberg resident, said many citizens were concerned about the TVF&R annexation. There was an issue of the City having automatic authority to continue to collect the \$1.88 for fire service that should otherwise be offset by the annexation. A Charter amendment was being proposed as the only way to guarantee that the money stayed with the taxpayers. He had served on the City's Budget Committee for many years and every year there was complaint about Oregon's constitutional limits on property taxes. Everyone who owned property or rented property in Newberg was at risk for a much bigger tax or rental bill. They owed the taxpayers of Newberg respect for their position as the financial backers of the City. A binding Charter amendment put to the voters along with the vote on the TVF&R annexation was the right way to go.

Robert Soppe, Newberg resident, had heard that the Council wanted to follow the will of their constituents and that will was clear to not collect the \$1.88. He asked that Council listen to their constituents and put a real limit on the ability to levy the \$1.88 through a Charter amendment. There was discussion regarding a resolution to keep the \$1.88 from being collected for one year. The resolution would have no teeth and could easily be

rescinded and did not address it was an ongoing issue. Numerous people stated they would most likely not vote in favor of the annexation without a real limit in place on the \$1.88. He asked that the Council not put Newberg in that position. If they moved forward with the annexation, it was critical to move forward with a real limit at the same time. He thought State law required a vote on the annexation. He quoted from the Oregon House hearing where annexation into the district was discussed.

The Council took a 10 minute recess and reconvened at 10:00 p.m.

MOTION: Andrews/McKinney moved to direct staff to start the process for approving the annexation to Tualatin Valley Fire and Rescue contingent on voter approval, to direct staff to place a ballot measure on the November 2017 election to ask voters to approve an annexation into the Tualatin Valley Fire and Rescue District, and to direct staff to prepare an ordinance that stated the City Council shall not levy the \$1.88 property tax in 2018-19 and that there shall be no increase in future years greater than 3 percent without a vote of the electorate.

Deliberation:

Jo McIntyre, Newberg resident, said the terminology that was being used was complex and not accurate. She discussed the differences between the property value, assessed value, and the rate. Mayor Andrews said they would not increase it more than 3 percent by ordinance which became a legislative action by the Council. If the public took issue on that or in the future that was not followed, citizens could use the initiative process.

CA Stone said if the Council passed the motion, under State statute the Council would have to propose annexation through a resolution to the District Board. That resolution would come back to Council at their next meeting. It would get the process started from the Oregon Revised Statute standpoint. Councilor McKinney asked if that would supply to TVF&R what was needed to move forward. TVF&R Chief Duyck thought the approval to start the process gave them what they needed. TVF&R would also start the legal process. There were many moving pieces that would be worked through and approved by the Council and District Board. They would all be on the same page.

There was discussion on the process and timelines. Councilor Essin did not think there was time to do a Charter amendment. He was in favor of the motion. Councilor Johnson thought they were required by State law to take this to a vote. Passing the ordinance was putting an onus on the people to pay attention to make sure the Council was following the rules and not changing them instead of a Charter amendment where they would not have to pay attention. He was not positive about the ordinance idea.

Councilor McKinney said most of the Council was not in favor of a Charter amendment. The Mayor's alternative was a suitable way to move forward. The annexation was important as it was the least expensive way to excel as a fire department. He thought it was in the best interest of the City. Councilor Bacon could support the Mayor's ordinance very easily. She could also support a Charter amendment. She did not want to lose the ability of the City to fully utilize the tax amount in case it was needed.

Councilor Essin said this was a vote, and what would they do if the citizens voted no. He did not think a Charter amendment should be done when they did not know if the annexation would pass. He preferred passing an ordinance now and doing a Charter amendment later in the future. Councilor McKinney thought a Charter amendment would be a disservice to the citizens of Newberg.

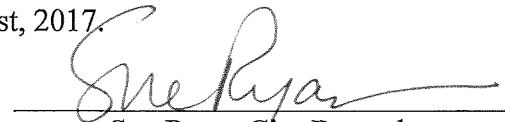
Motion carried (6 Yes/0 No).

MOTION: Johnson/Bacon moved to direct staff to prepare a Charter Amendment with the intent that if the TVF&R annexation vote passed then the City's ability to raise the tax levy would require a vote of the citizens. Councilor Essin thought a Charter amendment could not be done in time for the election. Motion failed (2 Yes/3 No [McKinney, Corey, and Andrews]/1 Abstention [Essin]).

COUNCIL BUSINESS: None.

ADJOURNMENT: The meeting was adjourned at 10:32 p.m.

ADOPTED by the Newberg City Council this 7th of August, 2017.


Sue Ryan, City Recorder

ATTESTED by the Mayor this 10th day of August, 2017.


Bob Andrews, Mayor