

NEWBERG CITY COUNCIL MINUTES
SPECIAL SESSION
July 31, 2017, 6:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

CALL MEETING TO ORDER

The Mayor called the business session to order at 6:00 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	

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PUBLIC COMMENTS: None

NEW BUSINESS:

City Recorder Ryan gave an update on the vacancy for Council District 1. She said four applications were received, one which had not been verified yet. She asked the Council for direction on whether to extend or close the recruitment and schedule interviews.

MOTION: McKinney/Johnson moved to close the applications for the Council District 1 vacancy. Motion carried (6 Yes/0 No).

MOTION: McKinney/Essin moved to hold the interviews for Council candidates during the Business Session on September 5, 2017. Motion carried (6 Yes/0 No).

City Attorney Stone said for the November election, the hard deadline for putting a Charter amendment on the ballot was August 18.

City Manager Hannan asked if Council wanted to take the concept presented by the Mayor in the ordinance regarding TVF&R and put it into the Charter. The concept was that the City would not levy the \$1.88 in the first year and in subsequent years the \$1.88 could only be raised up by 3% without a vote of the people.

Councilor Essin thought the entire Charter should be reviewed. There were items from the City of Sherwood that he would like to add to the Charter, but that would take time. He was willing to put these items off until later and deal with this issue only. Councilor McKinney asked if anyone knew the language of the citizen proposal. Mayor Andrews was not aware of any specific language but knew the intent was that the levy would be frozen. Councilor Corey asked if there would be two different titles on the ballot, one for the TVF&R annexation and the other on the Charter amendment. CA Stone said yes they would appear as separate questions, and they could be contingent on both passing.

Councilor Corey asked about additional costs to have two titles on the ballot. CR Ryan said the City was charged per measure, but these would not be the only measures on the ballot. They budgeted \$50,000, but she did not think it would be that much. CA Stone clarified if there was a citizen referral the City would bear the cost for that as well. He explained the referral process. CR Ryan said there had been no inquiries or applications for a citizen referral. Councilor Bacon thought this was a good compromise and agreed they should put both measures on the ballot at the same time. It provided a level of trust to the community.

Councilor Johnson observed that the City was not getting the same level of service they had before with Newberg Fire. For fires or major events, TVF&R was the best option, but for small town issues like a tree falling down or a non-injury car wreck and traffic direction there were City costs associated with those for Police and Public Works. They were going to need the 3% increase as the City grew. He was in favor of the Mayor's proposal.

Councilor Bacon said the ballot measure gave the citizens what they wanted, certainty in the Charter of what would happen with the \$1.88, although it was a compromise. Mayor Andrews said the Council had a responsibility for the fiscal administration of the City. Just as submitting the annexation question to the voters, this was asking the citizens to give guidance on the \$1.88. He was open to putting the concept in the Charter.

Councilor McKinney had asked the group for examples of when they did not trust the City and they did not have examples. He said the reduction would create a second or third rate community. A referendum could damage the work that needed to be done in the City. If it was not in the budget, the funds would not be collected. Councilor Bacon said some of the issue was trusting the Councils in the future. This was a show of good faith to put it into the Charter. Councilor Johnson said in general people did not trust government. He thought the majority of people would think the Charter amendment was reasonable.

CA Stone said the Charter was the constitution of the City that described how the government should operate. It was not a good idea to put policy decisions in a foundational document such as a Charter. He discussed an annexation in Redmond as being the only example that he found where a City did something similar, but it was tied to the permanent rate of the fire district. What was being proposed here was not tying it to a permanent rate of TVF&R, but tying it to a number that was an approximation of what they were spending. At a 3% increase per year it would take 21 years to recover up to the full levy. Putting it into the Charter affected the ability of future Councils to deal with unanticipated events.

Councilor McKinney was not in favor of a Charter amendment because of the unintended consequences. It would tie the hands of future Councils who would present safe, responsible, growing budgets that enhanced the community. He thought it would be a disservice to the community. If they did do a Charter amendment it needed to be based on a real number, like the permanent tax rate which was \$1.52. Councilor Essin also liked the concept of tying it to the \$1.52 not \$1.88 because it was the base rate. He did not have an issue with saying they would not raise it higher than 3% without a vote.

Councilor Bacon thought they had smart voters and if the City told them they needed extra funding for specific needs they would vote yes. The Charter amendment did tie the hands of future Councils and they would have to go to the voters for the extra money. Councilor McKinney said the base rate for TVF&R was \$1.52 and they were also paying off a bond. He asked if the City would be paying off a portion of the bond. Councilor Corey said changing the Charter for taxation issues was not a good idea. It was the wrong place to put the item and he would rather put it in the ordinance only. He asked if citizens could put a Charter amendment on the ballot.

CA Stone said citizens could propose a Charter amendment. Redmond was one case that did put something like this in their Charter. At the state level, voters through an initiative had put policy in the state constitution that limited the legislature. His advice was the charter/constitution was there for the framework of government not the vehicle for policy decisions.

Fire Chief Duyck explained the elements in the Tualatin Valley Fire and Rescue District (TVFR) tax rate. The permanent tax rate was \$1.52. There was a local option levy that would sunset in 2020 that was 45 cents. The remainder was a bond payment that continued to decrease due to increases district wide in valuation and a strong bond market. This made the total tax rate \$2.08. The \$2.08 rate would apply to Newberg should it annex into TVFR. He gave an example of the City of Beaverton joining TVFR in 1996 and how they did not change their permanent rate or put it in their Charter, but under-levied the rate and moved forward with TVFR.

Mayor Andrews said when the citizens group was talking about a Charter amendment they were talking about restricting both the Budget Committee and City Council. He did not think the Charter was the place for it. There was a policy about Hoover Park in the Charter. He was opposed generally to using the Charter for legislative purposes. However, if they did not take an action now, it made the City vulnerable to a Charter amendment they might not like from the citizens and made them vulnerable to the public relations about anti-tax concerns. He was willing to make it a Charter amendment.

Councilor Johnson said the Mayor expressed his concerns tenfold. The Charter amendment would meet citizens halfway and still gave the City a way to use the funding if needed. The \$1.88 was the number staff came up with for the costs to run the Fire Department. With the lack of trust in government, he thought it was a good idea to make it a Charter amendment. He wanted to do everything he could to make sure the TVFR annexation passed. Councilor Essin said there were budget issues and they might need to use that money now and the amount might need to be increased in the future. The people wanted something in writing, and if they did not get it, it would be difficult to pass the TVFR annexation.

Councilor McKinney said the citizens knew if annexation did not succeed the City would have to go back and ask for more money to reconstitute the fire service at the City. He thought citizens were smart and would see that. A Charter amendment was not the vehicle to accomplish the goal. If the annexation did not pass, the rate would have to increase to \$4.38 plus the City would have to go out for a bond. He did not think a Charter amendment was appropriate and that the citizens needed to know the real cost if the annexation failed.

MOTION: McKinney moved to not entertain a Charter amendment, and not reduce the levy if the annexation was not successful. Motion died for lack of a second.

MOTION: Bacon/Essin moved to direct staff to create a Charter amendment based on the ordinance previously suggested by the Mayor.

Discussion:

Councilor McKinney said they had not seen the ordinance yet.

AMENDMENT TO THE MOTION: Bacon/Essin amended the motion to direct staff to create a Charter amendment ballot title, summary, and explanatory statement that stated if the annexation passed, the City would not levy the \$1.88 for one year, after that a 3% increase per year would be allowed, and if more than the 3% was needed, it would go to a vote of the people.

Councilor Johnson asked if the Council could campaign on this issue.

Mayor Andrews said the Council supported the role of the majority. That was a guideline, not a law.

Councilor Essin questioned setting this up at the \$1.88 instead of the \$1.52.

Councilor Bacon said it wasn't part of the motion. They had told the public \$1.88.

CA Stone explained the process for filing documents with the elections official. The Council would need to vote on these documents no later than August 14 so they could be filed by August 18.

ADDITION TO THE MOTION: Councilor McKinney asked if they wanted to include in the motion for staff to bring the documents back to Council no later than August 14. Councilors Bacon and Essin agreed to add that to the motion.

Councilor Corey asked if the City could add wording to the annexation measure that the City would under-levy the \$1.88.

CA Stone thought that would violate the one question rule.

Motion passed (5 Yes/1 No [McKinney]).

ADJOURNMENT: The meeting was adjourned at 7:46 p.m.

ADOPTED by the Newberg City Council this 5th of September, 2017.


Sue Ryan, City Recorder

ATTESTED by the Mayor this 5th day of September, 2017.


Bob Andrews, Mayor