NEWBERG CITY COUNCIL MINUTES
SPECIAL SESSION
August 14, 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
	Denise Bacon	Patrick Johnson	
Members Absent:	Mike Corey was excused	*District 1 seat vacant	
Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney	
	Sue Ryan, City Recorder	Kaaren Hofmann, City Engineer	
	DawnKaren Bevill, Assistant to the City Administrator		
	Jay Harris, Public Works Director	Doug Rux, Community Development Director	
	Mary Newell, Police Support Services Manager		
	Matt Zook, Finance Director		

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PUBLIC COMMENTS: None.

CONTINUED BUSINESS: Resolution 2017-3377: KWDS LLC Agreement

City Engineer Kaaren Hofmann said this resolution related to KWDS paying for their portion of the Villa Road project and providing the necessary right-of-way and easement dedications. Their portion was $342,750 which was about 12% of the project cost. There was no financial compensation for acquiring the right-of-way or easements in this project.

Councilor Johnson said if the City was to pay for the right-of-way it would be $100,000. CE Hofmann said that was correct.

Councilor Essin asked about the width of the right-of-way. CE Hofmann said it was related to the left hand turn. Councilor Essin clarified they needed the right-of-way to make this a safer street. After re-inspecting the trees he was concerned about the survival of the north tree due the digging for the construction. He thought the south tree could still be preserved and that could be done through a change order.

Councilor McKinney asked if there was a methodology in place for change orders to allow for further adaption as the Villa Road project was underway. CE Hofmann said the change orders were limited in nature and were not intended for complete redesign of a project. Change orders were used to change quantities or make minor changes. Significant changes such as redesigning would not fit the contract. She explained the design for the road to be 25 mph and how changing the grade would change the project significantly. She said unless they obtained more right-of-way, the southern tree would not be able to be saved. If they were going to build the project as designed, the tree would have to be removed. Stopping the project now would be an issue to discuss with the City Attorney as the bid had been awarded.

Councilor McKinney said Councilor Essin was looking at the tree as an arborist. Councilor Essin asked if the design was within standards and was safe. CE Hofmann verified it was.

MOTION: McKinney/Johnson moved to approve Resolution 2017-3377, A Resolution authorizing the City Manager to enter into a right-of-way dedication easement and improvement agreement with KWDS, LLC on the Villa Road improvement project. Motion carried (5 Yes/0 No/1 Absent [Corey]).

NEW BUSINESS: City Council District 1 Candidate Interviews:
Mayor Andrews said three candidates would be interviewed for the Council vacancy. He explained the process.

Helen Brown interview:
Mayor Andrews asked Ms. Brown to introduce herself and explain why she was interested in serving on the City Council. Ms. Brown applied because she thought citizens should be involved in their government. She grew up on the San Francisco peninsula and attended school there. She became a teacher and earned a degree in Interdisciplinary Social Science. She lived with her kids on a Rancheria for seven months in California and it was a life changing experience. She worked in the Head Start program at the Rancheria. She moved to Grants Pass where she lived and worked for 25 years. Her daughters went on to college and she worked as a counselor in a mental health program. She returned to the early childhood field and earned a masters' degree in Early Childhood Special Education at the University of Oregon. She was involved in Grants Pass on the Planning Commission and Urban Area Planning Commission. She moved to Humboldt County, Northern California for six years and then moved back to Oregon where she taught at Mt. Hood Community College. During her time there she worked on the passage of a sales tax. When she moved to Newberg she applied to serve on the Citizens Rate Review Committee and later the Budget Committee. She was interested in serving on the Council because local government was the grassroots of democracy and she wanted to be a part of it and wanted to have a voice in the decision making.

Councilor McKinney asked what she thought was the most positive attribute of the City of Newberg. Ms. Brown explained how there was a community way of solving issues that she had seen during the 10 years she had resided here. There was a feeling of community and connection in the City.

Councilor Johnson asked what was her understanding of being on the Council and what had prepared her to be a Councilor. Ms. Brown said she had experience being on the Planning Commission and going to City Council meetings. Councilors needed to come to the meetings prepared and informed. Those who elected the Council expected them to take care of the business of the City even though not a lot of people attended meetings.

Councilor McKinney asked her to remind them what committees and commissions she had served on in Newberg. Ms. Brown said the Budget Committee for two terms and Citizens Rate Review Committee for one term. She explained why she had been interested in rate review. It was difficult to commit to other committees because she had not had a car for three years, but she had attended several Council meetings.

Councilor Bacon asked her to share an assessment of a recent decision of the City Council and what was the most critical issue facing the City today. Ms. Brown said she was at the Council meeting last week where people applied for an annexation and there were semantics that got in the way, such as definitions for large and some. She expected someone to say let's have an ad hoc committee to deal with the issues and did not think the Council should define those terms at that time. She said the most critical issues were change, growth, and what direction the City wanted to go in or not go in.

Councilor Essin asked if she was prepared to meet the time commitment associated with serving on the Council. Ms. Brown said she would be able to manage her time to serve on the Council.

Mayor Andrews asked if she had any questions for them. Ms. Brown was interested in the City's Master Plan and when it was due for review. Legal issues were another concern she had. She was concerned about the possibility of a big earthquake and the impacts it would have on the City.

Mayor Andrews said City staff was working hard on emergency preparedness.

Michelle Joslin interview:

Mayor Andrews asked her to introduce herself and give her background. Ms. Joslin had moved to Newberg to get away from the Portland area. She had a degree in small business management. She believed in a sustainable community. She worked in the financial industry for several years and worked as a branch manager of a mortgage lender in Beaverton. She served on the Newberg Habitat for Humanity and participated with the Newberg Downtown Coalition. She was interested in serving on the Council because she had a two year old son and wanted to improve the community for him.

Councilor McKinney asked what the most positive attribute was of the City. Ms. Joslin said Newberg was a very welcoming community. The residents cared about each other and the future of the City. That took lots of different variations in different areas.

Councilor Johnson asked what was the role of the City Council and what had prepared her to be a Councilor. Ms. Joslin said a Councilor was someone who listened to the issues and was a good steward of the City.

Councilor Bacon asked her to share an assessment of a recent decision of the City Council and what was the most critical issue facing the City today. Ms. Joslin said one recent decision was the College Street improvement contract and how it would make the City safer especially since there were four schools and many families in that area. She appreciated the safeguards that were put in place regarding the cost overruns. She thought the most critical issue facing the City was opportunity. Newberg Schools had good test scores but there was a disparity between the test scores of those economically disadvantaged and those who were not. There were also opportunities to grow economically, especially in creating jobs.

Councilor McKinney asked about the College Street project and what she thought about how it was resolved. Ms. Joslin stated she did not read about how it was resolved.

Councilor Essin asked her to describe her understanding of the time commitment to serve on the City Council. Ms. Joslin was used to reading thick legal documents. She was self-employed and her schedule was flexible. She thought she could meet the Council obligations.

Mayor Andrews asked if she had any questions for the Council. Ms. Joslin asked what viewpoint wasn't represented or what experience was not on the Council now. What could give the Council more diversity? Mayor Andrews said in this community the Council represented the City by district. They were not looking for a certain viewpoint other than someone who wanted to serve the community. Councilor Bacon said each Councilor viewed every topic through the lens of their own experiences. Councilor McKinney said you bring your skill sets to the Council, but her background in mortgage and housing would be an asset. They all had certain filters and the Council had to follow the promises of past Councils. The diversity of viewpoints, skill sets, and backgrounds on the Council made a better Council.

Matthew Murray interview:

Mr. Murray introduced himself. He had moved here five years ago from Tualatin to buy a house. He was a senior sales engineer with ITT Gould Pumps. His sales territory covered 14 paper mills throughout the Northwest. He spent time in the community at events and with his family. He was interested in serving as a Newberg City Councilor because the City was in an important place with opportunity for development and growth. It was his civic duty to represent the community. He thought Newberg was the best place to live in the Willamette Valley and he wanted to make a difference.

Councilor McKinney asked what he thought was the most positive attribute of the City. Mr. Murray said the physical location of Newberg as it was permanent and being midway between Mt. Hood and the Oregon Coast. They had many wineries, the Willamette River, and historic downtown. He said Newberg was special because it was here. The community involvement was unmatched.

Councilor Johnson asked what he thought the role of Councilor was and what had prepared him to be one. Mr. Murray said he was an expert in his field. He solved problems and exhausted all options with customers to fix issues. He did not have any experience being on committees or previous Councils, but to solve a problem you have to look at all different possibilities and ask experts. He knew to be on the Council you couldn't be an expert on all of the issues. Part of the role was attending the meetings and dealing with complex issues. He had been reading past Council packets, City Committee packets, the City Charter, and Council Rules. He was committed to doing the preparation work of reading the materials for meetings.

Councilor Bacon asked for an assessment of a recent Council decision and what was the most critical issue facing the City today. Mr. Murray said it was hard to assess their recent decisions having not been in their seats. He respected the process and he believed in it. The last two meetings he had listened to the conversations going on. He thought he could help bridge the gap between the community and the Council. The most critical issue facing Newberg was growth and how the City would handle it. He was passionate about affordable housing while at the same time promoting economic development. They needed to create jobs, decide how the City should grow and in what direction, and consider infrastructure needs. These were the things he was excited about in serving on the Council.

Councilor Essin asked about the time commitment associated with the City Council and was he prepared to meet it. Mr. Murray said he wouldn't be sitting here now if he did not have the time. He worked from a home office so his schedule was flexible except for when he was travelling. He had already talked with his company about this opportunity and they supported it. He would be able to move his schedule around to meet the demands of serving on the City Council. He also had the support of his family.

Councilor McKinney agreed growth was one of the most significant concerns in the City. The City had 22 volumes of Master Plans.

Mayor Andrews asked if he had questions for the Council. Mr. Murray asked how being on the Council had affected your personal lives. Mayor Andrews said it did impact your personal life because it was a commitment. Councilor Bacon said she was often stopped in the store to discuss issues. Councilor Johnson said he did a lot of research being on the Council and it could take over. You had to balance your home and work life along with the Council. Setting boundaries was important. Councilor Essin shared his personal experience with the time commitments on Council. You were involved as much as you wanted to be.

There was a 10 minute recess.

<u>Resolution 2017-3394, Annexation Election Measure:</u>
City Attorney Truman Stone said this resolution called for an election on the TVF&R annexation on November 7 and approved the information to go to the ballot, including the title, question, summary, and explanatory statement.

Councilor Essin asked about the agreement with TVF&R regarding the firehouses. City Manager Joe Hannan said the particulars had not been settled but the scope had been discussed. There was no change to the fire stations, the two would continue operation after annexation and for the foreseeable future. Regarding the cost of equipment and facilities, he shared the value of the property used for insurance with TVF&R. At September's work session when they presented on the budget, they would also talk about the stations, the disposition, the rolling stock, turnouts, etc. He had given TVF&R the position that for next year they had a communications upgrade estimated at $3.4 million. Of that $3.4 million, there would be some participation from the Fire District helping to fund that. He knew it needed to be resolved before the election.

Councilor Johnson clarified they were voting on whether or not to send the Fire District annexation to the voters. Where could the citizens go with their concerns about TVF&R? CM Hannan explained TVF&R was a government entity with an elected board. A resident could go to a local station and file a complaint or ask questions and if they were not satisfied with the answers they could go to the Fire Chief. If that was not enough, they could go to the Fire Board. If they came to the City, staff would try to answer the questions as well which was what they did for questions or complaints regarding CPRD.

Councilor Johnson asked if the communications upgrade would streamline the calls to dispatch. CM Hannan said yes, the software system would be upgraded to what WCCCA had for a quicker interface and immediate sharing of information.

Councilor Bacon said in the case of a big emergency and lines were down, how would they contact WCCCA? CM Hannan said if they were cut off from any dispatching center, they would go remote and create a dispatch center somewhere else. They could use the upgraded radios as well.

There was discussion regarding the information that would be shared with the Council at the September work session.

Councilor McKinney discussed the equipment that had been repaired and was back in service and how TVF&R provided two fiber optic lines to make sure they were prepared for the communications upgrade. He had been impressed with the incremental steps that had been taken to deal with some of these issues.

Councilor Essin did not want to find out TVF&R had no intention of paying anything for the upgrade. He suggested leasing the City's property to TFV&R, not giving it away. CM Hannan said the Council would make the decision ultimately, and they were in negotiations with TVF&R on these issues.

There was lengthy discussion over the process of the communication upgrade, how it would be paid for, and the Fire Department assets the City owned.

Robert Soppe, Newberg resident, said the issue of transferring assets to TVF&R had been raised tonight. Item 4 of the TVF&R resolution stated that the annexation was subject to the conveyance and turnover of all fire and emergency response assets from the City to TVF&R. If they were going to transfer all assets, what leverage did they have during negotiations with TVF&R? CM Hannan said conveyance was mentioned in the resolution, but there was nothing about the value and the amount that would be conveyed in the total package. That was what they were working on now. Mr. Soppe clarified a lease could be one way of conveyance. CM Hannan said that was correct.

Lon Wall, Newberg resident, was here to congratulate staff and Council on sending the annexation to the citizens to vote on it. There was concern about the 38% in the General Fund, but that was being addressed as well. He was happy with how the Council was representing the citizens of Newberg. There were issues with the turnover to TVF&R and he thought it was appropriate that they would be discussed openly. He thought it was in the best interest of the City to annex into TVF&R. He suggested taking the 3% property tax limitation out of the Charter amendment measure.

MOTION: Bacon/Essin moved to approve Resolution 2017-3394, A Resolution calling for an election in the City of Newberg on November 7, 2017 to consider annexation of Newberg to Tualatin Valley Fire and Rescue District to receive Fire and Emergency Medical Service; and Approving the Ballot Title and Explanatory Statement.

Discussion: Councilor Johnson had done a lot of research and every issue he had looked into had been resolved. He thought if any citizen had an issue or a question, they would be able to get an answer. He was nervous that Newberg did not have a seat on the Fire Board, however he was comfortable sending this issue to the voters. He would vote in favor of the resolution.

Councilor McKinney was also in support. He thought annexation was the right thing to do and was financially responsible. He thought the voters would overwhelmingly be in favor of the annexation.

Councilor Essin said citizens wanted to vote on this issue and he had no trouble supporting the resolution.

Mayor Andrews would be voting in favor as well. The City was not able to provide the level of fire service the community desired and annexing into TVF&R was the right thing to do. The Council was committed to extending the vote to the people.

Motion carried (5 Yes/0 No/1 Absent [Corey]).

Resolution 2017-3406, Charter amendment election measure:
CA Stone said at the Council's July 31 meeting, staff was directed to draft a resolution amending the Charter with certain provisions. Those provisions were to reduce the property tax rate by $1.88 per $1,000 of assessed value in the first fiscal year of the annexation, the tax rate could be increased a maximum of 3% per fiscal year after that, and any rate increase that exceeded the 3% per year would require a vote. This measure would be contingent on the passing of the annexation. This measure would also be on the November 7 ballot. The resolution included the ballot title, question, summary, and explanatory statement. If the rate went up 3% consistently each year, it would take about 21 years to reach the permanent tax rate which could not be exceeded.

Councilor Essin said TVF&R's permanent tax rate was $1.52. He was concerned about being tied into the $1.88 when the rest of the district would be at $1.52. CA Stone said the City was subtracting $1.88 from the current permanent rate of $4.38. It could slowly increase up to the maximum of the $4.38.

Captain Brian Sherrard explained the base rate was $1.52, plus there was a local option levy of $0.45 and the remaining $0.10 was from bonds. The amount levied for the bonds would continue to decrease each year as they were retired and the assessed value of the district continued to rise.

Councilor Johnson said the City had a base rate of $4.38 and within that they were providing fire service. The Council asked the Finance Department to find out how much it cost for the fire service and the department said $1.88. The reason they were lowering it by $1.88 was they were not providing that service anymore. They were not reducing what it cost TVF&R, they were reducing what it cost the City.

Robert Soppe, Newberg resident, asked the Council to respect the overwhelming public input to remove the potential annual increase of 3%. He had emailed the Council earlier in the day with two technical issues (Exhibit A). The first was the use of the term permanent ad valorem property tax rate. While it was a commonly repeated phrase, he thought it showed a misunderstanding of Measure 50. Measure 50 did not set a permanent tax rate, but a permanent tax rate limit. He suggested adding the word "limit" after the "permanent ad valorem property tax rate" in Section A to correct this. He said in Section B it stated the City Council might increase the tax rate limit but gave no mechanism to do so. Was the method a Council vote to levy the increased amount? There needed to be a clear statement by the Council about what was intended. Regarding the possibility of TVF&R's rate dropping to $1.52, four years of 3% increases would bring the City's restriction to that level.

Sue Osborne, Newberg resident, appreciated the City Council's stamina. She believed the annexation to TVF&R was needed after attending many meetings. She questioned whether a Charter amendment was necessary. She disagreed with the 3% because it gave the Council a free pass to raise taxes over the next 20 years. She wondered how much more money the City would get in the first year they assessed the 3%. She did not think this ballot measure would help gain citizens' trust by telling them taxes would be increased by 3% every year. She thought it would fail.

Mayor Andrews explained how the City could not assess greater than $4.38. The state allowed a 3% increase in the assessment, which increased the tax bill but not the tax rate. The first year of 3% would not be more than seven and a half cents per $1,000 of assessed value.

Councilor Johnson asked where the 3% came from.

Mayor Andrews said the 3% was to keep pace with the increased demands that inflation put on the City to provide services. He thought it was a reasonable amount.

CA Stone discussed adding the word "limit" as suggested by Mr. Soppe. He thought Mr. Soppe was technically correct. The Oregon Constitution did say permanent tax rate limit, but the way it was used in conversation was permanent tax rate as it was an easily understood term. He did not think it would negatively affect the Charter language to add it, but it could lead to confusion on the part of those who did not understand the system. He then explained the mechanism for the levy, which was review and approval by the Budget Committee and the final adoption by the Council. It would be done in the tax rate levy portion of the budget.

MOTION: Johnson moved to approve Resolution 2017-3406 and to amend Section B by deleting the sentence that referred to the 3% per year. Motion failed for lack of a second.

MOTION: Bacon/Johnson moved to approve Resolution 2017-3406, A Resolution approving ballot title and explanatory statement and submitting a proposed charter amendment to City voters which would reduce the authority to levy ad valorem property taxes contingent upon annexation of the city into the Tualatin Valley Fire and Rescue District.

Discussion:
Councilor McKinney would not support the resolution as it would reinstate the $1.88 which the Council said they would not do. Limiting the tax levy to $2.50 was a disservice to the citizens. A change in the Charter was not a good choice. It was contrary to their promise and it robbed them of the opportunity to grow and move forward.

Councilor Essin was in support because it gave citizens some assurances about their taxes. They were letting the voters decide.

Councilor Johnson was not in favor because they were not providing fire service and they were already getting a 3% per year increase on the assessed value. He thought it was double dipping and collecting a tax rate that did not provide a service.

Councilor Bacon was in support as the 3% was much less than the costs went up every year. They could have kept the $1.88 and spent it on needs the City had. The 3% would help the City continue the level of services that citizens wanted.

Mayor Andrews was reluctantly in support as he thought they could manage the budget through an ordinance instead of a Charter amendment.

Councilor McKinney was hopeful he could persuade the others to not vote for this. The Charter amendment in no way reflected the wants of the people who brought forward the idea of a Charter amendment. It did not achieve their goals or the City's and it would make the City a second rate community. Why would they want to limit themselves to a $2.50 rate when they knew to keep the community going it had to be closer to $4.38? This was a black hole and limited all future Councils to an unlivable rate.

Councilor Bacon said if there was a catastrophe and the City needed money, they had a mechanism to go to the people and ask for more. Historically when there was a good argument, the voters voted yes. She trusted that if they needed more and made a good argument the voters would support it. If they did nothing, the money was at the Council's whim to use it. The Charter amendment was a compromise and was a way for citizens to have a say in how the money was spent.

Councilor Essin thought they should trust the voters.

Councilor Johnson said his issue with the Charter amendment was that the City would get an automatic increase. If they did not provide the service, they should not levy the tax.

Councilor McKinney stated it was not a good idea to change the Charter to achieve some administrative policy. There was no guarantee that the voters would support a tax increase. This was not the best path to take.

Motion passed (3 Yes/2 No [Johnson, McKinney]/1 Absent [Corey]).

There was a five minute recess.

COUNCIL APPOINTMENT DISTRICT 1:
Councilor Bacon thanked all three of the applicants for being willing to step up and serve on the City Council.

Councilor McKinney appreciated meeting all three of the candidates and discussed what each one would bring to the Council.

MOTION: Johnson moved to appoint Michelle Joslin to the vacant Council seat for District 1 for the remainder of the term through December 31, 2020.

Mayor Andrews appreciated the insight of Mr. Murray on the issues facing Newberg. Ms. Joslin discussed the opportunity for children and test scores, and that did not have anything to do with the City. He thought they needed Ms. Brown in the committee roles she was already in instead of sitting on the Council.

Councilor Johnson said he made the motion because Ms. Joslin brought a point of view that they might not get from the other two candidates. She could speak to financial issues, was coming in with the future in mind, and he knew she could do the work in reading the legal documents. She could help with affordable housing issues and was well spoken.

Councilor Essin said he would be satisfied with any of the candidates. He was impressed with Mr. Murray and his grasp of the issues. He thought Mr. Murray would bring a lot to the discussions. Ms. Brown was not as responsive to the questions and Ms. Joslin gave short answers, but had a good background.

Motion failed for lack of a second.

MOTION: Essin/McKinney moved to appoint Matthew Murray to the vacant Council seat for District 1 for the remainder of the term through December 31, 2020.

Councilor Bacon said Ms. Brown was a valuable member of the Budget Committee. Mr. Murray did all of his homework and he understood the critical issues and would find answers to problems. She thought his answers to the questions were what she was looking for.

Councilor McKinney said Ms. Brown would still influence what the City did. He liked Ms. Joslin's answers, but he did not have enough information from her. He thought she could serve on a City committee.

Councilor Johnson agreed Mr. Murray was a good candidate.

Motion carried (5 Yes/0 No/1 Absent [Corey]).

ADJOURNMENT: The meeting was adjourned at 10:02 p.m.

ADOPTED by the Newberg City Council this 18th of September, 2017.

Sue Ryan

Sue Ryan, City Recorder

ATTESTED by the Mayor this 21st day of September, 2017.

Bob Andrews

Bob Andrews, Mayor