

NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
December 18, 2017, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

Executive Session ORS 192.660 (2)(h) Legal Counsel pending litigation

Council Present were Mayor Andrews, Councilor Mike Corey, Denise Bacon, Matt Murray and Stephen McKinney.

Start: 5:08 p.m.

Exit: 6:00 p.m.

Staff present: City Manager Joe Hannan, CIS Legal Special Counsel of Heltzel Williams PC – Andrew Campbell and Hannah Warner.

Topic: Pending litigation

A work session was held preceding the Business Session. Present were Mayor Andrews, Councilors Patrick Johnson, Denise Bacon, Mike Corey, Scott Essin, Stephen McKinney, Matt Murray and Patrick Johnson. Staff present were City Manager Joe Hannan, City Prosecutor Jeanne Schuback, City Recorder Sue Ryan, Assistant to the City Manager Dawn Karen Bevill and Community Development Director Doug Rux.

Mayor Andrews called the meeting to order at 6:11 p.m.

CDD Rux answered questions the Council had asked after the Housing Newberg presentation in November. There was a map that showed the properties outside of the City that were to be annexed. There was about 300 acres that was outside of the City limits, but within the Urban Growth Boundary, that was identified as R-1, R-2, and R-3 in the future. It was scattered throughout the perimeter of the City. Planning Commission worked on changes to the Comprehensive Plan and Development Code on R-3 annexations. There was no additional cost for identifying R-3 during UGB expansion; however, there was an additional cost during the annexation process for properties 15 acres or more because 10% of the net area had to be zoned R-3. This required additional analysis. There was a definition for low income, which was 80% of the area median income. There were other definitions of housing affordability as well.

He explained how the Construction Excise Tax was to be used. They could waive the tax if the Council wished, but a program would be needed to do it. There was discussion on allowing taller structures, and that discussion could be expanded. Increasing structure height was not one of the proposals from Housing Newberg. He did not know if there was a kosher kitchen in a residential home. Housing Newberg suggested priorities for their proposals. The priorities were R-3 annexations, Construction Excise Tax, Accessory Dwelling Units, missing middle housing, SDC deferrals and loans, expedited review and permitting, street widths, work and living spaces, and housing ombudsman.

Rick Rogers said they hoped code changes increase the number of units quickly including ADUs, duplexes on corner lots, and public street standards. The ones considered to be developer or builder incentives were: Construction Excise Tax, expedited review and permitting, and SDC deferrals and loans. It cost \$290,000 to build a house, but at 80% of median income meant people could afford \$250,000. It was that \$40,000 gap that Housing Newberg was attempting to fill. Other communities had adopted a Construction Excise Tax. Bend had implemented a tax in 2006. Since that time they had funded 770 units and anticipated another 120 units in 2018. Another impact was leveraging funds the City from the state or federal monies. There were private, for-profit developers in the Housing Newberg group and they understood this was an incentive to developers to build a certain type of housing.

There was discussion on the annexation issue that included defining large and some to include R-3 land and that issue would be addressed at a Planning Commission hearing in March 2018. Accessory Dwelling Units (ADUs)

were currently permitted in R-2 but not in R-1. There was discussion on issues with narrower streets, parking, and ADUs. CDD Rux said to implement narrower streets City-wide would mean opening up the Transportation System Plan, which had been adopted a year ago. It would take financial and staff resources. The Planning Commission had been working on parking and ADUs.

There was further discussion regarding funding for staffing and the work that needed to be done. CDD Rux said affordable housing was one of the Council's goals and if Council made this a priority he would look at how to work it in. If the Construction Excise Tax was implemented, they would have to re-work the role and responsibilities of the Affordable Housing Commission. Mr. Rogers said there should be research done about what the tax money could be used for.

Councilor McKinney said they could not do all nine proposals, but needed to concentrate on the items that were doable and had a reasonable measure of success. It was important to note items that could begin now. CDD Rux said R-3 annexation changes were already in progress. The Construction Excise Tax was not currently in staff's work program. The ADUs were going to be addressed through SB 1051 and had to be in place by July 1, 2018. The missing middle housing would require a Development Code amendment process which was a 4-6 month process. There was discussion on what the new ADU laws would allow. There was further discussion on how the Construction Excise Tax could be used for affordable housing.

CDD Rux said regarding SDC reductions, waivers, and deferrals, it would affect the income stream that went into the SDC funds to do capital projects. Out of the top 5 priorities, two were currently being worked on and the other three would take a year to a year and a half to accomplish. They could then re-evaluate the others. Mr. Rogers added a lot of the incentives could be done through the Construction Excise Tax. It could also be a funding source for a consultant to look at expedited review and permitting processes. The legislation allowed up to 1% for the tax, so it could be any derivative up to 1%. CDD Rux said regarding the ombudsman proposal, it could mean added education for the community regarding affordable housing issues.

Mayor Andrews suggested staff identify the low hanging fruit and long term processes. CDD Rux said low hanging fruit are R-3 annexations and ADUs. Mr. Rogers added Construction Excise Tax. CDD Rux said the long term items were street widths and use of the Housing Trust Fund to do a feasibility study.

Mayor Andrews asked if CDD Rux saw any unintended consequences with these items. Mr. Rogers said there could be push back on the Construction Excise Tax as the fees in Newberg were high already. It was an incentive to promote the market to move in a certain direction. He did not think the changes to the R-3 annexations would have a lot of impact as there were no big annexations coming up in the near term. He hoped some ADUs would come in soon. The items that would have the most impact were the expedited review and permitting processes and SDC deferrals and loans.

Councilor Bacon said one of the main issues was worker housing. Businesses were not going to come to Newberg if there was no housing for their workers. Mr. Rogers said Newberg was competing with other communities, and needed the incentives to bring businesses and developers here. CDD Rux said staff was looking for direction from Council later on in the business session as to what items to pursue.

The work session was adjourned.

CALL MEETING TO ORDER

Mayor Andrews called the business session to order at 7:15 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews	Stephen McKinney	Mike Corey
	Denise Bacon	Matt Murray	Scott Essin

Patrick Johnson

Staff Present: Joe Hannan, City Manager Jeanne Schuback, City Prosecutor
Sue Ryan, City Recorder Doug Rux, Community Development Director
DawnKaren Bevill, Assistant to the City Manager
Jay Harris, Public Works Director Brett Musick, Senior Engineer
Russ Thomas, Public Works Maintenance Supervisor

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

MAYOR'S MEMORIAL: Mayor Andrews marked the passing this year of former Mayors Durrell Belander, the 38th Mayor of the City (1967-1970) and Donna Proctor, the 41st Mayor of the City (1993-1998).

CITY MANAGER'S REPORT: City Manager Hannan reported on the inaugural meeting with Councilor Murray to the Cultural District Board, Washington County hearing for the TVF&R annexation, Lodging Tax Committee meeting, annual police awards dinner, draft transit improvements proposal, and Newberg's Camellia certification process.

PUBLIC COMMENTS: Herb Kuhn, Newberg resident, discussed the Newberg Animal Shelter. He was concerned about the City's proposal to sell the property. Great effort had gone into building the new shelter. He had gotten his dog from the shelter four years ago and was impressed with the facility. He asked that short term budget concerns not obscure the long term impacts of losing this facility and the service it provided. This was not just an animal shelter. It demonstrated the City had a heart and placed a high value on the efforts of its citizens.

Councilor Bacon said no matter what happened there would still be an animal shelter.

CONSENT CALENDAR:

MOTION: Bacon/Murray moved to approve the minutes for the November 20, 2017 meeting, and to approve applying for a Rural Opportunity Initiative Grant by submittal of a letter of Intent, and if requested by Business Oregon submit an application, and accept the grant award if approved. Motion carried (7 Yes/0 No).

PUBLIC HEARINGS: Resolution 2017-3424: Whitney Equipment Contract Award:

Mayor Andrews called the public hearing to order. He asked if there were any abstentions or conflicts of interest. There were none.

Staff report: Senior Engineer Musick said this was a request for exemption from the competitive bidding for the installation of the new hypochlorite generation system components for the Water Treatment Plant and authorization to seek a proposal from Whitney Equipment for the work. The current components were well past their lifespan and he explained the hypochlorite generation process. Whitney Equipment had been the vendor for their equipment and they would like to have them do the modifications to the system in order to install the new components. There was savings in not going through a contractor who would hire a subcontractor to do the work and Whitney was the previous vendor and had experience with the system.

Proponents: None

Opponents: None

Mayor Andrews closed the public hearing.

Staff Recommendation: SE Musick recommended adoption of the resolution.

MOTION: Bacon/Johnson moved to approve Resolution 2017-3424, A Resolution authorizing the City Manager to waive the competitive solicitation requirement and authorizing the request of a proposal from Whitney Equipment Company, Inc. for the installation of the new hypochlorite generation system components necessary for disinfection improvements of the water treatment facility. Motion carried (7 Yes/0 No).

Resolution 2017-3416, Cartegraph contract:

Mayor Andrews called the public hearing to order. He asked if there were any abstentions or conflicts of interest. There were none.

Staff report: PWS Maintenance Superintendent Thomas said this was a request for an exemption to the competitive bidding process for the upgrade of the Cartegraph software system. Currently the City was using the software for asset and work flow management. The City was using three different software systems to maintain assets. He explained what the current systems included and how they worked. He played a video describing what asset management was and the asset management system and a video that went more in depth on the capabilities of the Cartegraph Operations Management System. One of the issues they had been facing was incorrect data entry, especially for water meters. The new system would allow for direct data entry by scanning codes or direct download without any manual errors. The new system could be used in the office, in the field, and on Smartphones. There was also a citizen interface where citizens could report a pothole, water leak, or down sign, and so on. The new system would record all of the City's assets so all staff had access to the information and would have asset details. It had work order tracking, preventative maintenance, prepared reports, and all staff would have access to the program. There could be savings with all departments being able to retrieve the information, preventative maintenance, and the reduction in manpower. There were comments by Council about the program, how it worked, and the cost savings.

Proponents: None

Opponents: None

Mayor Andrews closed the public hearing.

Staff recommendation: PWMS Thomas recommended adoption of resolution

MOTION: Essin/Murray moved to approve Resolution 2017-3416, A Resolution granting an exemption to competitive bidding and authorizing the City Manager to execute a three (3) year contract in the amount of \$221,894.50 for the upgrade and implementation of Cartegraph's Operations Management System (OMS), as well as delegating authority to the City Manager to make minor amendments and interpret the agreement on behalf of the City. Motion carried (7 Yes/0 No).

NEW BUSINESS:

1999 Springbrook Oaks Plan Review:

CDD Rux said this was a 2016 Council priority to review all of the City's master plans. This plan was for 284 acres. One change to the plan was made in 2006. There were 12 principles in the Plan. Most of the area had been developed. Today there were two parks, the golf course, senior care facilities, and residential. There were commercial properties as well as some residential property still left to develop. In comparing this Plan to the Transportation System Plan he found a traffic signal on Hayes and Springbrook was improved and Hayes Street sidewalks had been put in. The Bypass and its corridor had been put in as well. He also compared the Plan with the 2007 ADA Pedestrian/Bike Route Improvement Plan. When that plan was done no sidewalks had been put in on this section of Brutscher, but that sidewalk had now been constructed. There was missing sidewalk on Fernwood Road that had been constructed. There was sidewalk missing on Hayes Street/Providence Drive which had now been constructed. He had looked at the Water Master Plan, but no projects were identified for this area. The Wastewater Master Plan was being updated and staff would be looking at the Fernwood Pump Station to see if it needed to be upgraded.

1993 Northwest Newberg Specific Plan Review:

CDD Rux said this was 150 acres in the College Street/Mountain View area. In 1993 it was outside the City limits, but inside the Urban Growth Boundary. Five principles of the Plan included commercial and medium density residential development. Two parks and some commercial and residential uses had been developed. There was property to the northeast still undeveloped. He compared this Plan to the Transportation System Plan and found that a traffic signal would be put in at Foothills and College in the future. There was also potential widening of Foothills Drive to accommodate bike lanes. In the Water Master Plan, a new booster pump station was identified for this area. In the 2007 ADA Pedestrian/Bike Route Improvement Plan, there would be sidewalks and bike lanes installed on Foothills. In the Water Master Plan, an undersized pipe was identified that needed to be upgraded.

Housing Newberg Proposals:

CDD Rux asked Council to direct staff on the priorities. Currently they could not do all nine. They were working now on the R-3 annexation amendments and ADU amendments. Housing Newberg wanted Council to focus on the Construction Excise Tax. The other proposals were missing middle housing, SDC deferrals and loans, expedited review and permitting, narrower streets, work and living spaces, and appointing a housing ombudsman. The City was tracking the issue of vacation rentals.

MOTION: Johnson/Murray moved to direct staff to work on numbers 1, 2, 3 and 5 of the Newberg Housing proposal items as outlined in the RCA in the Council packet.

Deliberations:

Councilor Johnson recommended R-3 annexations, the missing middle, ADU requirements, and Construction Excise Tax. Councilor McKinney thought number 7, should be added to the list due to the present building and inspection needs. CDD Rux explained the application, review, and building permit processes. He said many affordable housing projects were utilizing programs that had timelines and the review processes needed to be expedited. There were many ways to do that, however there was an issue with having staff capacity to be able to do it. Councilor Johnson said he did not recommend doing any items that required money until the Construction Excise Tax was implemented and those funds could be used.

Motion carried (7 Yes/0 No).

Resolution 2017-3419, Service Line Warranty of America:

PWS Director Harris said this was a proposal for service line warranties for private laterals. Newberg had 7,000 water laterals and 7,000 sewer laterals with varied ages and materials. The City maintained the right-of-way portion of the laterals. The private portion that started at the property lines were the homeowners' responsibility. Many of the homeowners' lines were nearing the end of their service life. The Service Line Warranty of America would like to offer warranties to property owners and the City would enter into a marketing and licensing agreement. They would do all of the mailings with the City's logo. There was no cost to the City to enter this program. There was an option that some of the monthly payments made by homeowners could go back to the City, however, he did not think that was a good idea. This program could reduce the water bills for homeowners due to leaky pipes and inflow and infiltration.

Dennis Lyon, Service Line Warranty of America, said they had more than 500 City partners that were participating in this program. It offered homeowners the opportunity to voluntarily participate in coverage for external water and sewer lines and in-home plumbing. They handled all aspects, the marketing, billing, claims, and customer service. No public funds were used. He discussed the company's experience and reputation and the program as well as the problems with aging infrastructure. They were endorsed by the National League of Cities. They would partner with the City to educate home owners on their responsibilities for the laterals through direct mail three times per year. It was a voluntary program, and no one was forced to participate. They would partner with the City to craft the message that would be sent to homeowners.

The coverage included allowing them to use the City logo and official signature on the marketing materials. The City would review and approve all materials before they were sent out and to be notified when the materials were mailed. When the first mailings went out, the City would most likely get calls to verify the program. They alleviated this by providing a customized press release.

There was discussion regarding endorsements by the City, multi-family units, typical premiums and benefits to citizens. There was additional discussion about the cost of the subscription versus paying out of pocket for the repair or replacement of pipes.

MOTION: Corey/McKinney moved to approve Resolution 2017-3419, A Resolution approving a marketing license agreement with Utility Service Partners Private Label Inc., and authorizing the City Manager to modify and execute said agreement with the City waiving its licensing fee. Motion carried (5 Yes/2 No [Murray/Johnson]).

COUNCIL BUSINESS:

Councilor Johnson reported on the Council Rules subcommittee. They would be forwarding recommendations to the Council in February/March.

CM Hannan discussed NIMS training which could be done over the internet. This was disaster response training for policy makers.

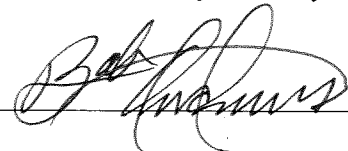
Mayor Andrews said there would be an Executive Session on Wednesday. Another Executive Session would be held on January 2. On February 12 there would be a joint meeting with the School District Board. He then reported on the ribbon cutting event for the Bypass. The Bypass would open on January 6.

ADJOURNMENT: The meeting was adjourned at 9:35 p.m.

ADOPTED by the Newberg City Council this 16th of January, 2018.


Sue Ryan, City Recorder

ATTESTED by the Mayor this 18th day of January, 2018.


Bob Andrews, Mayor