NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
FEBRUARY 6, 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 Hayley Delle, Denise Bacon, Scott Essin, Patrick Johnson, Stephen McKinney and Mike Corey. Also present were City Manager Joe Hannan, City Attorney Truman Stone, City Recorder Sue Ryan, Finance Director Matt Zook, Community Development Director Doug Rux, Public Works Director Jay Harris, Police Chief Brian Casey, Library Director Leah Griffith, Human Resources Director Anna Lee, Information Technology Director Dave Brooks and Tualatin Valley Fire and Rescue Battalion Chief Chris Dawson.

Mayor Andrews called the meeting to order. Items added to Council Business included: Councilor Essin to report on the Yamhill County Transit Committee. Councilor Johnson wanted to discuss travel to City Day.

Emergency Operations and Preparedness: Police Chief Casey and Public Works Director Harris presented on Emergency Operations and Preparedness recommendations. Staff had met during the past six months with the goal to be prepared for both a major disaster and lesser events. An Emergency Operations Plan created in 2013 needed updating. Tasks included purchasing equipment, training, coordination with other jurisdictions and potentially hiring a part time Emergency Manager. There also needed to be outreach and planning with the faith based communities in Newberg. All City facilities needed a structural study which was currently being done.

There was discussion on fuel availability, the duration and severity of impacts from a major seismic event and Community Emergency Response Team (CERT). There was discussion on being prepared for up to two weeks of potential disruption from an earthquake, working with other partners in the community on planning such as George Fox University and the Newberg School District. There was discussion on municipal workers and their families, the availability of grant funds, a program called Know your Neighborhood, and the scope of backup needed for the City's IT program.

Department Head Reports: TVF&R Battalion Chief Dawson said the weather had impacted Tualatin Valley Fire and Rescue operations with an increase in call volumes, response and transport times. There is a new medic unit based in Sherwood and the district is hiring 16 new firefighters starting this month. For Newberg, this will mean an increase to a fourth firefighter on the engines out of each station in town. He reported on training they were doing at George Fox University for the Nursing Club.

CDD Rux said the Building Department had done 397 inspections for the month of December, had 64 single family residential permits from July 2016 to January 2017, and were continuing their work with Dundee, Dayton and Lafayette. Staff was working on grants for the Cameo Theatre and Chapters bookstore. Although the annual Notice of Funding Availability for Affordable Housing had been issued, no applications had been submitted for the funds. Solicitation was ongoing for the manufactured home repair and maintenance program. The second Economic Vitality Summit was held, representatives from the Boeing Company (airplane manufacturers) had toured Yamhill County including Newberg.

In the Planning Division, an annexation application was received for property south of North Valley Road. Workshops were planned with the Planning Commission on Parking Regulations for both Accessory Dwelling Units and also Single Family Units. Other Planning Division activity included approval of the Columbia Estates subdivision, final plat approval for Ursis Place at the corner of 1st and Church Street, a pre-application on the C.S. Lewis site off Wynooski Avenue for a potential 12-unit subdivision that does not include the old school building, a final plat for Highlands Hess Creek subdivision, two final plats for Roger Grahn off Rentfro Way, a final plat for the O'Halloran partition, working on a public works lot consolidation at the maintenance yard and had received a partition application for the Oregon Clinic.

Council approved the Transportation System Plan update in December. Staff approved a design review of a parking lot next to Brant Hall on the George Fox campus, approved a design review for Burger King for a remodel and also Holiday Inn, received a new application from Newberg Dodge for an expansion, approved softball field renovation for George Fox and a pre-application for Panda Express at the corner of Elliot Road and Highway 99. Staff was working on code adjustments, cell tower applications – one on Edgewood Street and one on Illinois Street.

There had been discussions with Regional Solutions on Crestview Drive improvements, Gramor's project for wetland improvements, implementing the Downtown Plan approved by Council, working with Engineering on several plan updates, working with Sportsman Airpark on their purchase of development rights program, submittal of the application for the City of All Ages program, Cultural Center patio work, application in for Recipe remodel after their fire last year and paperwork was in process for the Chehalem Parks and Recreation District for the System Development Charges for the new aquatic center.

Police Chief Casey said since December 1 they had 4,600 calls for service, 1,285 traffic stops, arrested 11 drunk drivers, issued 768 written warnings, 550 traffic citations, arrested 146 adults and 12 juveniles. They also responded to 12 overdose calls involving pills, heroin, acid and 1 alcohol related overdose. Newberg PD also responded to the OSP shooting, a shooting near City Hall, and responded to a bank robbery. This report does not include any investigations being done by the detective division. He would be reporting to City of Dundee the next night.

Human Resources Director Lee invited everyone to the Employee Breakfast event on Feb. 22 at the Cultural Center, 2 current recruitments for the Dispatch Center and Library, 6 new hires in process, written a volunteer program currently being reviewed by the Legal Department, finishing the Job Description update, and HR is working on updating union contracts. This includes opening the Public Safety Association contract for negotiations in the next few weeks. She is preparing also for the opening of the AFSCME union contract negotiations in December of 2017. HR Director Lee had reviewed benefits options with City County Insurance Services for the upcoming year. She had provided training on Workplace Harassment to employees and would repeat it in the future. A training was planned for March on How to Communicate at Work. Other training included Safety Committee items including Blood Borne Pathogen training. Five first aid kits had been purchased and distributed to departments. She had attended legal training and will be attending the CIS conference.

Information Technology Director Brooks reported on the call volume, the department had been working on updating the projectors in the room. They were installing new equipment at the Public Works new office building, working on the capacity for the backup system to handle a growing amount of data, working on budget for FY 2017-18. There was a brief discussion on the Council's I-Pads and IT support.

Library Director Griffith said the department was restructuring due to the retirement of long-time employee Rea Andrews, whom had worked for the library for 27 years. She said the carpet in the children's area was being replaced due to flooding last fall, new computers were being installed under the Library's contract with CCRLS. She said in addition to this activity, the Library was continuing to offer lots of programs and services including increasing usage of computer stations and the Oregon Battle of the Books competition at the schools.

Public Works Director Harris said they were working on the Water Master Plan update, a new schedule for the System Development Charges, contractors had almost finished the new waterline on Springbrook Road and improvements at Otis Springs Reservoir. Heavy rains created high flows at the Wastewater Treatment Plant recently. There had been issues in the sewer trunk line on Springbrook Road with backup issues into nearby apartments that Public Works was working with the owner on the installation of backflow devices. PWSD Harris reported on work in the Dayton basin on overflow issues, the City's response to snow and clearing streets including needs for future equipment,

There was discussion on backflow devices, the great job Public Works did clearing snow during recent storms and Otis Springs flow. There was discussion on the backflow sewer issues at the Springbrook Apartments and the City's liability for the repairs.

Finance Director Zook said they had finished implementing payroll procedures per a new state law on pay stubs, beginning review of the Utility Billing System per mention in a previous audit, hosted a regional purchasing training, and updating the City's Purchasing Manual and procedures. The Finance Department was also providing staff support for the Pension Subcommittee meeting to review investments for the Newberg Employees Retirement Plan (NERPs), audit preparation and budget preparation for fiscal year 2017-18.

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CALL MEETING TO ORDER
The Mayor called the business session to order at 7:20 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews	Scott Essin	Stephen McKinney
	Hayley Delle	Denise Bacon	Patrick Johnson
	Mike Corey		
Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney	
	Sue Ryan, City Recorder	Doug Rux, Community Development Department	
	Matt Zook, Finance Director	Kaaren Hofmann, City Engineer	

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PUBLIC COMMENTS: Cherice Bock and Silvia Ruiz, Newberg residents, were requesting adoption of a resolution to make Newberg an inclusive city. In this time in history, many immigrants were feeling afraid and uncertain. Every person living in Newberg was a valuable part of the community. Oregon was a sanctuary state and was following state and federal laws regarding immigration. Immigration and customs enforcement was a federal government job. A resolution to be an inclusive city included fair treatment of immigrants, refugees, and other populations that might be discriminated against. They had a sample resolution for the City to use. By stating their intentions, all who lived in Newberg could continue to call law enforcement in case of emergencies, continue contributing their skills and relationships to the community, and continue to draw together across differences for everyone's benefit. She read the last two sections of the sample resolution and suggested putting the resolution on a future agenda.

PRESENTATIONS:
Finance Director Zook and Brad Bingenheimer from Boldt, Carlisle + Smith presented the findings from the City audit. They said the auditors created an unmodified report. The financial statements presented fairly in all material respects for the fiscal year ending in 2016. The City ended the year with total assets of $208 million and total liabilities of $70 million. This resulted in a net position of $142 million, which was a slight decrease from the previous fiscal year. There was a new accounting standard for pensions that started last year. This created significant estimates affecting the financial statements. The effect of this new standard was a net position of -$23 million. Last year it was a net position of -$10 million. Revenues came in $144,000 higher than anticipated and expenditures were $1.8 million less than what was budgeted. The City's cash position at the end of the year was $57 million. The net pension liability for NERPS was $14 million. The City's share to PERS was $5.1 million. The audit included budget to actual comparisons for all funds and compliance with Oregon State law. There were two appropriation categories where there were minor over expenditures and there were some mathematical errors in a few documents. Internal controls and audit procedures for federally funded programs were also reviewed. There was on instance of non-compliance due to a new uniform guidance requirement. There needed to be better internal controls for utility building and court funds.

Councilor McKinney asked since it was one employee dealing with the court funds, how did the City rectify the deficiency. Mr. Bingenheimer said it was difficult to address without adding more employees. The auditors pointed out the deficiencies and it was up to management to decide what remedy to take.

Mr. Bingenheimer said the City expended $1.1 million in federal awards. FD Zook said there were no difficulties between the auditors and staff in producing information and working together. A formal plan of action would be presented to the Council to address the deficiencies in the report. He discussed how the finance department would work with court staff for better cross review and internal controls. This was a return to a full, comprehensive annual financial report after two years of staff changes and vacancies.

MOTION: Bacon/Johnson moved to accept the auditor's report and the annual financial statements, and adopt the plan of action to address deficiencies identified in the audit report for June 30, 2016. Motion carried (7 Yes/ 0 No).

Sheryl Kelsh presented the quarterly report for the Chehalem Valley Chamber of Commerce. She said the Chamber had successfully moved and the new signage was up. The Willamette Valley was named the 2016 Wine Region of the Year.

She encouraged them to go to the Travel Oregon website to look at the industry section of the website and the Longwoods Report. She discussed hosting FAM Tours, journalists, and food bloggers. The annual Truffle Festival was successful.

Councilor McKinney asked if truffles were a niche market. Ms. Kelsh said in general, people interested in it were foodies, traveling for culinary and wine. Ms. Kelsh was working on the Camellia Festival that would be held in April and production of the 2017/18 Chehalem Valley Field Guide. Newberg was currently hosting the Oregon Tourism Commission. She invited the Council to attend Greeters on Friday.Councilor Johnson asked about the decrease in numbers at the Visitors Center between last year and this year. Ms. Kelsh said it was down this year, which she thought was due to the cold weather.

City Engineer Hofmann presented an update on the Public Works design and construction standards and Municipal Code update. She said the City was updating many overarching documents as part of the Strategic Plan. She wanted to make sure all of the standards and codes were consistent, easy to navigate and understand, and reflected current technology and standard practices. A Technical Advisory Committee and staff would review all of the documents. It would take a couple of years to finish the process and there would be a public involvement process. Her intention was to give an update on the effort and to get feedback on who should be on the TAC. There was discussion on the length of tenure of the proposed committee and that this was more of an update than a request for Council action. There was consensus to defer the proposed motion.

FD Zook presented on the Long Range Financial Plan. He said the five year Plan was being built by taking a full budget process and multiplying it times five and automating as much as possible so it was less dependent upon individual input and more on assumptions and drivers. They also worked on building real time relationships between funds. The inputs needed to be meaningful as this was a model that would help in future decision making. The Plan was customized to Newberg. He discussed the benefits of staff creating this Plan and the work of the Long Range Financial Planning Committee. He explained how the Plan worked using the Transient Lodging Tax fund as an example. He asked for input on the layout. The final document would come back to Council in March.

CITY MANAGER'S REPORT: City Manager Hannan reported on current activities across the City including meeting with WCCCA and TVF&R regarding upgrading radios and communications, meeting with TVF&R regarding the current and future TVF&R contract, meeting with Red Light Camera regarding intersections for trial traffic surveys, and meeting with department directors for updates and annual evaluations. He attended the last Long Range Financial Planning Committee meeting, met with Veterans of Foreign Wars representatives to discuss veterans issues, met with a Newberg resident who wanted to start a music production company, met with representatives of a potential buyer for the West Rock site, met with the City Attorney regarding marijuana dispensaries, attended the annual Mid-Willamette Council of Governments Banquet, met with the Director of Yamhill County Housing Authority regarding affordable housing, met with representatives of the Camellia Festival, met with the new *Graphic* reporter, hosted an emergency preparedness breakfast, met with a new potential cable t.v. provider, met with the CPRD Board regarding SDCs, met with Veritas School about an advanced financing agreement, and met with staff regarding electronic records. He attended the Travel Oregon Tourism training, Town Hall meeting with Representatives Post and Noble, Economic Vitality Summit, Transient Lodging Tax Committee meeting, and meeting with the Cultural Center Board regarding build out of the Cultural Center. He had hosted three Chinese students, was working on a legislative tracking tool, and he would be out of the country for two weeks.

CONSENT CALENDAR:

MOTION: Bacon/Corey moved to approve the Consent Calendar including the Council Minutes for January 3, 2017. Motion carried (7 Yes/ 0 No).

NEW BUSINESS:

NB 2030 City Council Update:

Community Development Director Rux reported on the remaining tasks for the Newberg 2030 Ad Hoc Committee. This was the pre-Urban Growth Boundary expansion process. The Committee met in December to review all of the public input so far. One issue that was raised was accessory dwelling units and parking. The Committee thought these units should be allowed in the community and some of the parking regulations should be changed for these units. Another issue was allowing cottage homes, duplexes, or triplexes to create a mix of residential uses in neighborhoods. There was also discussion regarding having a jobs to housing ratio, but no number was suggested at this time. There was discussion on whether or not to use the word "should" or "shall" in the Comprehensive Plan, and the Committee thought "should" should be used. A draft Buildable Lands Inventory was also reviewed. The Committee would meet again in March to discuss the changes proposed to the Buildable Lands Inventory. He gave highlights of what came out of the public survey work. Some of the feedback was: most people thought the current lot sizes were right for R-1 and R-2, there should be a mix of housing in neighborhoods, accessory dwelling units should be allowed, a majority said it did not matter that Newberg was a bedroom community, and if there were jobs in Newberg that paid the wages needed, people would like to work in Newberg. He then explained the next steps. The Buildable Lands Inventory would need to be done by March 15, study area done by the end of March, and an action plan and implementation strategy would need to be done by the end of May. A new population number would be finalized in June.

<u>Transient Lodging Tax Budget and Small Grant Program Application Materials</u>:
CDD Rux gave an update on the TLT Ad Hoc Committee. He said the Committee met twice, in January and February. Staff presented information on a Small Grant Program to the Committee. These would be a minimum of $1,000 to a maximum of $10,000 grants. A set of guidelines for the grants was created that were taken directly from the Tourism Strategy. He reviewed the guidelines, types of projects that could receive grants, evaluation and scoring process, application materials, and grant contracts. The Committee also discussed the budget, and suggested reducing the amount for tourism related facilities and putting more in marketing, scaling back staff allocation for conferences, and not hiring a consultant to do marketing assessment as it could be done internally. The Committee would go out for grant solicitations starting on February 8 for three weeks to close on March 1. The applications would be taken to the Committee on March 15, and to the Council on March 20. A marketing sub-committee was also established and would meet on February 16 to discuss marketing materials.

COUNCIL BUSINESS:
Councilor Essin reported on the Yamhill County Transit Committee. There was discussion at that meeting about closing the Newberg routes because they were so lightly used. CM Hannan had talked with them and this was no longer a suggestion. They also wanted to talk to the cities about helping to put in bus shelters. CM Hannan said the County was working with the City regarding a new site for the Safeway bus stop. It would now be in front of the Radio Shack. The City already had two shelters in boxes that were available for the City to put in. Councilor Bacon said several years ago there was a bus ridership issue, and staff distributed the bus schedule to school kids and it increased the ridership tremendously. Something similar could be done again. Councilor Johnson discussed his experience in transit at the City of Canby and volunteered to help where needed.

Councilor McKinney said he, the Mayor, and City Manager met with TVF&R. A public vote might not be required to form the Fire District if they proceeded to stay with TVF&R. It might just require a vote of the Council. There was a considerable amount of money that would be saved if the Council made the decision. TVF&R had a professional firm that could guide the City's arguments for forming the Fire District with TVF&R.

Councilor Bacon said they had a large group of people ask the City to pass a resolution for Newberg to be an inclusive city and she had spoken to the Police Chief and City Attorney about it. She would like to see the request honored.

MOTION: Bacon/Andrews moved to direct staff to bring back a resolution on March 6 modeled on McMinnville's resolution. The motion passed (5 Yes/ 2 No [Corey and McKinney]).

Mayor Andrews said the Mayor would be using the roving gavel for the February 21 and March 6 meetings. Councilor McKinney would facilitate the Veritas advanced financing agreement. Councilor Johnson would facilitate the ordinance dealing with the TUF.

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Mayor Andrews read the Executive Session statement. There was a brief recess at 9:35 p.m.

EXECUTIVE SESSION pursuant to ORS 192.660 (2) h
The Council entered Executive Session at 9:42 p.m.
Staff present included City Manager Hannan, City Attorney Stone,
They discussed potential litigation regarding marijuana taxation.
The Council exited Executive Session at 10:26 p.m.

ADJOURNMENT: The meeting was adjourned at 10:27 p.m.

ADOPTED by the Newberg City Council this 6th day of March, 2017.

Sue Ryan

Sue Ryan, City Recorder

ATTESTED by the Mayor this 7th day of March, 2017.

Bob Andrews

Bob Andrews, Mayor