NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
June 18, 2018, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

A work session was held at 5:30 p.m. preceding the meeting. Present were Mayor Andrews, Councilors Patrick Johnson, Denise Bacon, Scott Essin, and Matt Murray. Councilors Mike Corey, Patrick Johnson, and Stephen McKinney were absent. City staff present were City Manager Joe Hannan, Finance Director Matt Zook, City Recorder Sue Ryan, and City Kaaren Hofmann.

There was a review of the Council Agenda before the Council went into Executive Session.

Executive Session ORS 192.660 (2) I Performance Evaluations of Public Officers and Employees
Start: 5:35 p.m.
End: 7:10 p.m.
Topic: City Manager annual evaluation
Staff present: City Manager Joe Hannan

CALL MEETING TO ORDER
Mayor Andrews called the business session to order at 7:25 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews	Scott Essin
	Denise Bacon	Matt Murray
Members Absent:	Mike Corey, Stephen McKinney, Patrick Johnson	
Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney
	Sue Ryan, City Recorder	Cheryl Caines, Senior Planner
	Matt Zook, Finance Director	Kaaren Hofmann, City Engineer
	Anna Lee, Human Resources Director	
	Robin Steele, Paralegal	

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

CITY MANAGER'S REPORT: City Manager Hannan reported on his activities including meeting with the Downtown Coalition on facilitating new hotel development, meeting with interested parties on the mill site, working on the purchase and sale agreement for the animal shelter, working with Yamhill County Transit on a downtown transit center, attending the Bypass Committee meeting where funding for Phase 2 was discussed, helping businesses who wanted to expand, working with the City of McMinnville for a request to the County for a long term solution to homeless camping, and attending the Transient Lodging Tax Committee where a recommendation to Council on the use of TLT funds was discussed. He announced Public Works Day on June 20, the Old Fashioned Festival Parade on July 28, and Ice Cream Social on June 29.

COUNCIL APPOINTMENTS:

MOTION: Andrews/Bacon moved to approve the appointment of Ashley Solis to the Historic Preservation Commission for a term of June 2018 to May 2019. Motion carried (4 Yes/0 No/3 Absent [Corey, Johnson, McKinney]).

MOTION: Andrews/Murray moved to approve the appointment of Lisa Rogers to the Riverfront Master Planning Committee for a term of June 18, 2018 to August 2019. Motion carried (4 Yes/0 No/3 Absent [Corey, Johnson, McKinney]).

PUBLIC COMMENTS:
Dave Adams, KYLC Radio, said each community in Yamhill County, including Newberg, had their own dedicated 24/7 audio channel that KYLC provided. They were also doing more video streaming and informing and engaging the community on important issues. He thanked Public Works Director Harris for working with them on the emergency preparedness plan.

Pat Haight was concerned about the finances of the City. She wanted to make sure they were collecting SDCs from CPRD for the new swimming pool. She heard a lot of concerns at a recent garage sale about how the City was spreading itself too thin. City Engineer Hofmann confirmed CPRD paid the SDCs before the pool opened.

Robert Soppe, Newberg resident, spoke regarding an item on the Consent Calendar, the contract award to Keller and Associates for the Chehalem Wastewater and Water Extension Project. He was concerned that it was being funded through utility fees and SDCs, not by future development. He thought development should pay its own way.

CONSENT CALENDAR:
Councilor Murray asked to pull 2018-3471 from the Consent Calendar.

MOTION: Bacon/Murray moved to approve the Consent Calendar as amended including Resolution 2018-3488, A Resolution approving the 2018-2019 Cost of Living Adjustment (COLA) of 3 % for the Collective Bargaining Agreement between the City and the Newberg-Dundee Public Safety Association, effective July 1, 2018, authorizing the City Manager to execute the 2018-2019 Cost of Living Adjustment (COLA) of 3 % as well as delegating the authority to make minor amendments and interpret the agreement on behalf of the City; and May 21, 2018 Council Minutes. Motion carried (4 Yes/0 No/3 Absent [Corey, Johnson, McKinney]).

PUBLIC HEARINGS: Budget
Mayor Andrews opened the public hearing for Resolution 2018-3467 and called for any abstentions or conflicts of interest. There were none.

Finance Director Zook gave the staff report. He said the Budget Committee met three times to review the 2018-19 budget. They approved the budget as proposed. On June 4, Council held a public hearing on the budget and staff recommended changes to the budget in the City Hall Fee Fund. Those changes required a new financial summary in the newspaper and a new public hearing, which was being held this evening. The budget consisted of $93,074,631 with 144.36 FTE and total appropriations of $78,175,181 with reserves of about $14 million. The approved tax rate was $2.50 per $1,000 of assessed value.

Proponents: None
Opponents: None
Undecided: Robert Soppe, Newberg resident, was disappointed about the Budget Committee's lack of concern about the details that supported the claim for the $1.3 million shortfall in the General Fund. He did not think the Committee got a clear accounting on the shortfall to adequately understand it.

Finance Director Zook recommended adoption of the resolution. Mayor Andrews closed the public hearing.
Deliberations:
Mayor Andrews appreciated Mr. Soppe's concern but they were aware of the issue. He thought the Committee did receive an adequate explanation.

MOTION: Essin/Bacon moved to approve Resolution 2018-3467, A Resolution adopting the City of Newberg, Oregon budget for the 2018-19 fiscal year, making appropriations, imposing the tax, and categorizing the tax. Motion carried (4 Yes/0 No/3 Absent [Corey, Johnson, McKinney]).

Mayor Andrews opened the public hearing for Resolution 2018-3481, transfer of assets to Tualatin Valley Fire & Rescue (TVF&R), and called for any abstentions or conflicts of interest. There were none.

City Attorney Stone gave the staff report. He said this agreement would cover distribution of the Fire Department assets. The Springbrook Fire Station would be relinquished to TVF&R for no additional consideration. The Downtown Fire Station would remain in City ownership but the fire district would be granted exclusive right to use the station and pay no rent for its use. TVF&R would be responsible for all maintenance and improvements to the stations. The fire trucks and rolling stock would be transferred to TVF&R with the exception of seven items. These items were equipment unnecessary for TVF&R operations and would be sold. Sale profits would go to pay for the communications upgrade. The rural fire district's trucks that had been leased to the City were not covered by this IGA. Any other small surplus equipment would be sold, and proceeds applied to the communications upgrade project. CA Stone was still reviewing the process for the equipment purchased through grants. However the resolution delegated authority to the City Manager to continue those negotiations. The utilities would be paid for by TVF&R, and the diesel generator would be jointly maintained by the City and TVF&R.

Proponents: None
Opponents: None
Undecided: None
Mayor Andrews closed the public hearing.
CA Stone recommended approval of the resolution. He pointed out two typos in the resolution.

MOTION: Bacon/Essin moved to approve Resolution 2018-3481 as amended, A Resolution authorizing the City Manager to execute an intergovernmental agreement with Tualatin Valley Fire & Rescue regarding an equitable transfer of assets to the District upon annexation. Motion carried (4 Yes/0 No/3 Absent [Corey, Johnson, McKinney]).

Mayor Andrews opened the hearing for Resolution 2018-3472, Wastewater SDC methodology, and called for any abstentions or conflicts of interest. There were none.

City Engineer Hofmann gave the staff report. This resolution established the Wastewater System Development Charges (SDCs) methodology, and decreased the charge. She explained SDCs and Capital Improvement Project (CIP) list. The methodology report was available to the public 60 days prior to this hearing and a written notification was provided 90 days prior per state statute. The Council could update the CIP list any time and if so, notice would be sent to affected parties. The methodology report showed fixture unit counts would be decreased by $47 per fixture unit. The base was 18 fixture units per household, and the total SDC for 18 fixture units would drop by $829.

Proponents: None
Opponents: None
Undecided: Robert Soppe, Newberg resident, had questioned why SDCs were going down. The answer was that the City had changed the horizon. Instead of looking out 30 years, they had looked at 20, which included fewer properties in the hills which were more expensive to service. He thought if properties were going to put a special burden on the system that they should pay a special fee to cover it.

Mayor Andrews closed the public hearing.

City Engineer Hofmann explained they looked at properties within the Urban Growth Boundary (UGB) for assessing SDCs. When the UGB was expanded, the methodology would be reevaluated. The Council could choose to assess a separate SDC for those properties that were more difficult to serve. Staff recommended adoption of the resolution.

Deliberations: Councilor Murray suggested putting the separate SDC idea in a tickler file to remind them when the time came.

MOTION: Bacon/Essin moved to approve Resolution 2018-3472, A Resolution to approve the Wastewater System Development Charge Methodology and decrease the charge. Motion carried (4 Yes/0 No/3 Absent [Corey, Johnson, McKinney]).

Mayor Andrews opened the hearing for Ordinance 2018-2831, Wastewater Master Plan adoption, and called for any abstentions or conflicts of interest. There were none.

Senior Planner Caines and City Engineer Hofmann gave the staff report. Senior Planner Caines stated the Wastewater Master Plan update was based on DEQ's components. The Plan looked at a 20-year horizon to 2037, and would be updated every 10 years. The Plan had to consider the entire Urban Growth Boundary area and be part of the Comprehensive Plan of the City.

City Engineer Hofmann summarized the Wastewater Master Plan. She discussed the project scope, study area, criteria for system flows, population projections, future growth areas, projected design flows, existing collection system, lift station basins, hydraulic evaluation of the existing system, areas of concern, improvement alternatives for the areas of concern and recommendations, pipe improvements in the Plan, lift station consolidation, future infrastructure projects, inflow and infiltration inspection and priority projects, condition rating on the facilities in the Wastewater Treatment Plant, Treatment Plant alternatives focusing on secondary treatment and an additional oxidation ditch, project prioritization for the Treatment Plant, and Capital Improvement Project list.

Senior Planner Caines said the Comprehensive Plan also needed to be amended to include the Wastewater Master Plan.

Proponents: None
Opponents: Robert Soppe, Newberg resident, thought this process had been poorly managed. Part of the justification for this update was the claim of a legal requirement by the State to update master plans every 10 years. There was no such requirement. His biggest concern with the update was the engineering criterion for determining adequate capacity to decide whether or not projects should be put on the project list. The previous standard for adequate capacity was to carry design flows without surcharging, and pipes were considered surcharged if they were 85% or more full. The new standard was that pipes were considered surcharged if they were within 2 feet from the rim elevation. This was a dramatic change in the standard and he gave examples of the implications. He was concerned about basements being flooded with raw sewage if the sewer backed up significantly. Because the new standard had been used to evaluate the modeling results, going back to the original standard required re-running the model and reevaluating the results. The cost was considered excessive and was not done. Staff had said if basements flooded, the City would fix it, yet there was no policy in place to do so. He was also told going back to the original standard would create a significant increase in the number of projects and associated costs. He thought if it was done properly, the only increase in costs would be for projects that were truly needed. One member on the Planning Commission raised this issue and was not given a satisfactory answer. The Springbrook Road sewer was full, and the project would require tearing up the road that had just been built. He thought a lot of things had not been considered and it was a disappointing process.
Undecided: None

Mayor Andrews closed the public hearing.

City Engineer Hofmann thought the Planning Commissioner had been satisfied with the information he was given and had voted to approve the Plan. She explained the standards for surcharging and how they designed projects for the 85% or more full standard. The 2 feet of the rim standard was used for prioritizing projects and there were no areas in the City where there was concern about sewage backing up into buildings.

Councilor Essin asked about the options for Springbrook and moving the sewage to a different line. City Engineer Hofmann said staff had not looked at how much could be moved over into the Providence line versus the Springbrook line. It was something that could be evaluated in the future. She thought the Plan was adequate, the sewage would not overflow into basements, and the issues that needed to be addressed would be addressed in this Plan.

Councilor Murray said many old homes had sump pumps in their basements, including his own. City Engineer Hofmann said in his location, the sewage would not get to the level that it would back up into basements unless something catastrophic happened.

Deliberations:

MOTION: Bacon moved to waive the second reading of Ordinance 2018-2831. Motion died for lack of a second. The second reading would be held on July 2, 2018.

Resolution 2018-3471 – pulled earlier from the Consent Calendar

MOTION: Murray/Bacon moved to schedule Resolution 2018-3471 for the July 2, 2018 Council Meeting. Motion carried (4 Yes/0 No/3 Absent [Corey, Johnson, McKinney]).

NEW BUSINESS: Resolution 2018-3474, Chamber Marketing Plan
Senior Planner Caines said in March 2015, the Council entered into an agreement with the Chamber of Commerce for visitor information services. Part of that agreement was an annual business plan submitted by the Chamber that was to be approved by the Council.

Carr Biggerstaff and Shannon Buckmaster, Chehalem Valley Chamber of Commerce, said they would focus on tourism marketing, and visitor destination marketing on a regional basis. A Yamhill County Tourism Partnership Task Force had been created to work with other regional tourism entities. The business plan proposed two year programs for tourism. This was to better align marketing activities with other organizations in the region, and also because the agreement with the City ended in 2020.

There were three different budget alternatives in the business plan. One was status quo, one included funding to hire a consultant to put together a Destination Marketing Plan for the community, and one included funding to hire a Tourism Director. There was discussion regarding the contribution of tourism money from Dundee.

City Manager Hannan explained how Council would decide on how to spend TLT funds in the future. Approving this business plan would include all three budget alternatives in anticipation of that decision. The Council could decide not to approve the resolution, which included the budget portion, and say that the Chamber met their commitment under the contract. Mayor Andrews did not think adopting all three alternatives made sense.

MOTION: Essin/Murray moved to accept the Chamber's proposal as having fulfilled their contract for 2018-2019. Motion carried (4 Yes/0 No/3 Absent [Corey, Johnson, McKinney]).

Group Water Connections Policy Discussion:

City Engineer Hofmann said Del Boca Vista requested a water hardship outside of the City limits to connect to a group customer line. Council asked staff for more information on the impacts of allowing such connections. The City had a little more than 7,000 water meters within the city. Most water associations were on the west side of town. On average the City sold 1.6 to 1.9 million gallons of water per day in the winter. During the summer sales were 3.5 to 4 million gallons.

Water associations were all served with a master meter from the City with a backflow prevention device. The pipes might or might not meet standards. The City served about 120 individual customers outside of the City limits. Connections were allowed in 1965 with the intention that the City would not supply water to any additional users outside of the City limits. In 1978, the issue was reevaluated, and the City maintained it was not their intent to serve properties outside of the City limits but wanted to provide a hardship exception. Criteria was created for a hardship process.

In 1988, the City discovered several illegal connections to water districts, and staff recommended policy changes to allow connections for single requests. There were seven water districts that the City provided water to. There were no current contracts with the water districts but staff was working on drafting them. The City requested customer list updates. Three of the seven districts had responded. The water districts paid $6 per ccf rather than the inside city rate of $4 customers. Last year the districts combined paid $112,000. The SDCs were variable. The Council could waive all or part of the SDCs.

Senior Planner Caines said the Comprehensive Plan looked at planned growth for the next 20 years. Sewer and water were not supposed to be provided outside the City limits except for: Health hazards, No existing alternatives, and Annexation agreements by property owners. Sewer and water services might be provided within the urban reserve area but only on a case by case basis. The Comprehensive Plan stated how urban services should be provided within the City limits, and urbanization should grow in an efficient and timely manner. Comprehensive Plan classifications were designed to accommodate different types of housing, and the growth management agreement with Yamhill County.

City Engineer Hofmann explained the maps showing where development had occurred in the City and the water district locations as well as group customer lines. Senior Planner Caines discussed the Newberg 2030 study areas that showed potential areas for the City to grow into and the areas with constraints.

City Engineer Hofmann said that Option 1 was to retain the Comprehensive Plan policies which did not entertain hardship requests for group customer lines. Option 2 was to re-evaluate the Comprehensive Plan policies and make changes to allow water connections to group customer lines outside of the City limits. Currently the City's Municipal Code prohibited connections to group customer lines. The hardship criteria were for hooking up to the City's lines, not to group customer lines It had to be an existing residence not additional development outside of the City limits.

Undecided:

Jim Cooper, Sunny Acres Water Company, said over the last 10 years there had been hardships because of wells going bad. He wanted the ordinance reviewed as there were properties needing future connections to their water district.

Donna Plachette, Sunny Acres Water Company, said the water district was established in 1962 with 54 current users. They had multiple requests from people with existing homes asking for hardship permits to hook up to the district.

Dan Danicic, Del Boca Vista, said they had come to the City with a hardship request. He thought if regulations were unchanged, this issue would continue to be revisited. Only minor changes would be required to the

Comprehensive Plan and the Code to recognize the existing situation. There was enough system capacity to serve these parcels and more. He asked Council direct staff to amend the Comprehensive Plan, and Development Code to allow a water service connection for residential development on the basis of 1 house per 10 acres or any lot of record within 300 feet of a water district line, with that line being set in its current location as of January 1, 2019. He asked that his request be granted before that process was completed.

Councilor Murray said it would take a long time before development in the west. He thought they should provide water to those in Newberg's zip code even though they were not in the City limits. City Manager Hannan did not think the Council was obligated to expand service to this area, especially as they were going through an Urban Growth Boundary (UGB) expansion process where they would have to justify it.

Councilor Essin asked if these property owners were outside the UGB. City Engineer Hofmann said yes, they were all outside the UGB. If they allowed this request, it would set a precedent to allow the next request. City Manager Hannan explained the Council was being asked to approve service to a vacant lot outside of the Boundary, and to allow it to urbanize in a rural area. It was setting up urban settlements right outside the UGB. That ran counter to State land use requirements under the law. There had to be justification for going beyond the current UGB. City Engineer Hofmann said staff recommended retaining the current Comprehensive Plan policies.

Mayor Andrews did not think the Del Boca Vista request was a hardship request.

MOTION: Andrews moved to retain the current Comprehensive Plan policies and not entertain hardship requests to group customer lines per the Newberg Municipal Code. Motion died for lack of a second.

Councilor Murray said many people had not been granted hardship requests. The prudent thing to do would be to retain the current policy until they got through the Urban Growth Boundary expansion process. City Manager Hannan said if the Council did nothing, staff would continue with the current policy.

MOTION: Essin moved to deny the request because there was no hardship, and to direct staff to come back with definitions of real hardships. Motion died for lack of a second.

COUNCIL BUSINESS:
Mayor Andrews said the Council would need to discuss the LOC Legislative Priorities at the next Council meeting and recommend four of the priorities. He gave an update on the funding for Phase 2 of the Bypass.

EXECUTIVE SESSION pursuant to ORS 192.660 (e) Real Property
Start: 10:16
Stop: 10:25
Staff Present: City Attorney Stone, City Manager Hannan
Topic: Update on Animal Shelter sale

ADJOURNMENT: The meeting was adjourned at 10:25 p.m.

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

Sue Ryan

Sue Ryan, City Recorder

ATTESTED by the Mayor this 19th day of July, 2018.

Bob Andrews

Bob Andrews, Mayor