

NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
July 16, 2018, 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 Andrews, Councilors Patrick Johnson, Denise Bacon, Mike Corey, and Stephen McKinney. Staff present were City Manager Joe Hannan, Finance Director Matt Zook, City Recorder Sue Ryan, Community Development Director Doug Rux, Public Works Director Jay Harris, Library Director Leah Griffith, Community Engagement Specialist Rosa Olivares, Police Support Services Specialist Mary Newell, and Assistant Finance Director Caleb Lippard. Councilor Essin was absent. District 1 Councilor position is currently vacant.

Long Range Financial Plan Discussion: City Manager Hannan said the City faced a challenge - not enough funds for essential General Fund services. He said the deficit occurred, which was relying on property taxes that State law limited. Costs were going up at a higher rate than the 3% increase allowed. His first recommendation was to go to the public to discuss additional revenues, but he would be looking at service cuts as well.

Finance Director Zook said this Plan was a Council Goal that staff had been working on for the past 2 years. The policies and models been completed. The Plan was used to set the 2018-19 budget. He explained the process for developing, reporting, and forecasting tools. This discussion focused on the General Fund. The immediate goal was to close the structural deficit. The main components of the shortfall was financing a Public Safety communications upgrade, and an operational surplus shortfall where revenues were not keeping up with expenditures.

CM Hannan said Public Safety is the largest expenditure in the General Fund. Other large expenditures were the Library, and Planning Departments. He said \$4.5 million in revenue was to be collected this fiscal year. Public Safety received other funding besides the General Fund. If those sources were taken out, the net cost for Public Safety was \$7.5 million. He had two recommendations: One - increasing the property tax levy, Two - increasing the Public Safety Fee. He did not recommend doing both.

These ideas would be taken to the public through outreach similar to the TVF&R annexation. Survey and focus groups would be done this fall. Then the Council would decide on whether or not to go to voters for more money. If they approved then staff would look at the election schedule, and a political action group could advocate for the measure. If the City asked for \$1 more in property taxes, it would generate \$1.9 million.

The current Public Safety Fee is \$5. If they wanted to generate as much revenue as the \$1 more in property tax, they would have to raise the Fee \$19 more. He was looking at next spring to go to election. If the voters voted it down, one response could be to reduce programs. He would also look at what personnel cuts could be made as well as a hiring freeze or eliminating cost of living increases.

FD Zook discussed the timeframe. Staff would return to Council to answer questions, and get feedback. In the fall they would go through the public input process. Staff would look for a decision from Council in November. Staff would come back with fresh numbers in December. The next fiscal year budget process begins in January. He suggested putting a revenue measure for the May 19 election.

Councilor Johnson said the trend of the need looked to be on average \$1.5 million, and they were saying the shortfall was \$1.4 million and the revenue examples were \$1.9 million. How were they going to clarify the numbers to the public? FD Zook said the \$1.4 million was the shortfall for Fiscal Year 2018-19. The \$1.5 to \$1.6 million shortfall was for Fiscal Year 2019-20. The \$1.9 million was to be used as a rule of thumb for what \$1 of additional property tax would generate. They would be asking for less than a \$1 increase to meet the shortfall. Councilor Johnson suggested before any public information campaign started that there be concrete

numbers. He asked if future growth was taken into consideration, and if so at what rate? FD Zook said one assumption they used was a 4.3% tax assessed value growth. That was what it had been during the last few years. Staff continued to look at the City's growth, but he explained they could not grow their way out of the situation.

Councilor Corey wanted to make sure the report included all of the upgrades anticipated for the Dispatch Center. He suggested stopping all vehicle purchases as one short-term solution. He would like to discuss the Dispatch issue in August. He also suggested the surveys be available electronically. CM Hannan said the plan was that the surveys would be electronic. He clarified there would be both focus groups and town halls as part of the public input process. Councilor Corey thought the tax increase was the best option; however, he thought the public should decide what option they wanted as well as what cuts should be made. He thought they should ask for \$1 more in property taxes. Because even though the City did not need the revenue now, it would help with long term future needs.

Councilor McKinney said even with the \$1 it would not be very many years before they would have to ask for another increase. There were substantial needs greater than \$1.4 million in the future. He thought it was likely the voters would say no, and they needed to have a back-up plan. CM Hannan said the \$1 made it easy to explain the impact to the property taxes. The number needed more refinement and discussion. They could not build themselves out of the deficit, but there were additional funds that would come in. He did not think the recommendation would cause them to have to come back to ask for more money in the near future.

Councilor McKinney asked about the possibility of raising fees as well. CM Hannan discussed the increase in the privilege tax for water, sewer, and stormwater and how it was not a fee, but would help bring in more revenues. The ending fund balance was always greater than what was projected. This helped cushion the deficit if voters did not pass the revenue measure. The City was not in a panic mode and he did not think they were going to come back with additional fees. Mayor Andrews thanked the Budget Committee members who were in attendance. He suggested they be sensitive to the timing of the survey and focus groups and the mailing of the County property tax statements. He also suggested a thorough examination of the long term impacts of the short term solutions. The issue of a fee versus a property tax also needed to be clarified.

CALL MEETING TO ORDER

Mayor Andrews called the business session to order at 7:10 p.m.

ROLL CALL

Members Present:	Mayor Bob Andrews Denise Bacon	Mike Corey Patrick Johnson	Stephen McKinney
Members Absent:	Scott Essin <i>*District 1 vacant</i>		
Staff Present:	Joe Hannan, City Manager Sue Ryan, City Recorder Matt Zook, Finance Director Leah Griffith, Library Director	Truman Stone, City Attorney Keith Leonard, Associate Planner Doug Rux, Community Development Director	

NEWBERG OLD FASHIONED FESTIVAL PROCLAMATION:

Mayor Andrews read the proclamation declaring July 26-29, 2018 as Newberg Old Fashioned Festival Week. He recognized the members of the Festival Court.

CITY MANAGER'S REPORT: City Manager Hannan reported on his activities including the Oregon City Managers Association meeting where affordable housing and ADUs, small cell telecommunication deployment, impacts of Airbnbs and vacation rentals, and artificial intelligence and changing technology were discussed. He was continuing to monitor the sale of the Westrock former mill site, was working on the vision for the mill property, long range financial plan proposals for Council, meet and greet with the new Chamber Director, meeting with the Newberg School Superintendent, and Transient Lodging Tax Committee meeting.

COUNCIL APPOINTMENTS:

MOTION: Bacon/Corey moved to approve the Mayor's reappointment of members to the Citizens Rate Review Commission including Holly Bradford, Adam Lundstrom, and Nick Morace for terms effective immediately and expiring June 30, 2021. Motion carried (5 Yes/0 No/1 Absent *District 1 Vacant).

MOTION: Andrews/Johnson moved to approve the Mayor's appointment of Rebecka Ratcliffe to Position #4 on the Newberg Public Library Advisory Board for a term of July 2018 to June 30, 2022. Motion carried (5 Yes/0 No/1 Absent *District 1 Vacant).

PUBLIC COMMENTS: None

CONSENT CALENDAR:

MOTION: Bacon/Corey moved to approve the Consent Calendar including Resolution 2018-3487, A Resolution to authorize the City Manager to enter into a Small Enterprise License Agreement with Environmental Systems Research Institute, Inc. (ESRI) in the amount of \$75,000; Resolution 2018-3492, A Resolution to accept a grant award from Business Oregon and authorize City Manager to execute all grant documents; Resolution 2018-3489, A Resolution authorizing the City Manager to enter into an agreement with Cache Valley Electric to purchase computer hardware in the amount of \$146,495.89 and to enter into a lease agreement to finance this purchase; and June 18, 2018 Council Minutes. Motion carried (5 Yes/0 No/1 Absent *District 1 Vacant).

PUBLIC HEARINGS: Springbrook Master Plan Development Agreement amendment: Mayor Andrews opened the public hearing for Ordinance 2835. He called for any abstentions, bias, ex parte contacts, conflicts of interest, or objections to jurisdiction. There were none. City Attorney Stone read the quasi-judicial hearing statement.

Associate Planner Leonard entered the staff report into the record. This was a request to amend the 2008 Springbrook Master Plan development agreement. Eight new paragraphs were being proposed by the applicant. He described the location of the Plan area. The first new paragraph dealt with the Community Development Director's ability to use a Type 1 administrative review to decide things like tree protection, infrastructure type, location and size, lot lines and area, fence materials and colors, median breaks and locations, and phase boundary locations. The applications still had to meet the purpose of the 2008 Springbrook Master Plan. The second paragraph dealt with the goalpost rule. This meant approval or denial of an application based on the standards and criteria applicable at the time the application was first submitted. The third paragraph had to do with stormwater facilities, meeting the City's Public Works design and construction standards. The request was to limit these facilities.

The fourth paragraph dealt with Chehalem Parks and Recreation District's acceptance of parks in this area instead of the City. CPRD submitted a letter confirming they understood the meaning of the language change. The fifth paragraph dealt with a proposed phased subdivision schedule, and a tentative expiration for each subdivision phase. Recording the final plat for each subdivision phase would be required -subject to the City's authority to modify the proposed schedule. The sixth paragraph stated in the event there was a conflict between the master plan and the agreement, the agreement would be the controlling document. The seventh paragraph

said a property owner that was party to the agreement could sign or transfer their interest to another property owner without an amendment to the agreement. The eighth paragraph clarified when a land use application was submitted, the Public Utility Master Plan standards and SDC charges and credits that were in effect at the time of the application would be what was applicable.

The City received 2 comments opposing these changes during the Planning Commission hearing. One dealt directly with the development phase so was not applicable. The other dealt with utilizing the Type 1 review process for street locations and sizes. That was removed from the request, and was no longer a part of the Type 1 review. The City recently received a letter in support, stating the applicant had done good work in the City and would be expected to do the same for any future development of this area. Staff recommended adoption of the ordinance.

Proponents: Michael Robinson and Mimi Doukas, the applicant's representatives, agreed with the staff report and the recommendation for approval. The Planning Commission voted unanimously in favor of this application. They gave a history of the Springbrook Master Plan and how they were trying to clarify where staff had discretion and what the process would be.

Brett Baker, Austin Industries president, represented the property owners. They wanted the development to honor the original vision. Springbrook started with the Allison Inn and Spa and due to the economic downturn, the residential phase had to wait. Now it made sense to move forward and bring new homes to Springbrook and Newberg. They did a thorough and thoughtful outreach effort to find a development partner who fit the owners' expectations for quality, integrity, and design. The proposed amendments to the development agreement were the first step in the process for the next stages of the Springbrook Master Plan. They requested the Council approve the application.

Opponents: None

Undecided: None

Mr. Robinson had no closing remarks.

Mayor Andrews closed the public hearing.

CA Stone said there had been a waiver of the seven day period so the Council could make a decision tonight.

Deliberations:

MOTION: Corey/Bacon moved to waive the second reading of the ordinance. Motion carried (5 Yes/0 No/1 Absent *District 1 Vacant).

MOTION: Bacon/Johnson moved to approve Ordinance 2018-2835, An Ordinance approving the 2018 amendment to the 2008 Development Agreement to be read by title only. Motion carried (5 Yes/0 No/1 Absent *District 1 Vacant).

NEW BUSINESS: Community Visioning Program public participation: CDD Rux said Council Goal 12 was to complete a community visioning process, and communication plan to engage Newberg residents. Staff had a RARE intern coming from the University of Oregon to work on the program. This RARE student would work with the City for 11 months. Costs would be shared.

He said this project would be focus on collaboration. Staff was interviewing RARE students this week and the candidate selected would begin September 10. On August 20 there would be an outline of all of the steps for the process. A Citizens Advisory Committee would also need to be formed. There was discussion on the process and getting input from all groups in the community and holding meetings in the neighborhoods and districts.

COUNCIL BUSINESS: City Recorder Ryan reported on the 2018 election filings to date. She then reported on the District 1 vacancy and applications turned in to date.

Mayor Andrews encouraged the Council to participate in the Newberg Old Fashioned Festival parade. He announced a groundbreaking for the new addition to the Providence Medical Center on August 3. That was also the day for the Hearts of Gold fundraiser for PNM. The dedication for the Oregon Clinic would be September 20.

EXECUTIVE SESSION pursuant to ORS 192.660 (2) H Legal Counsel pending litigation

START: 8:13 p.m.

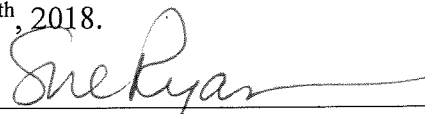
STOP: 8:49 p.m.

Staff present: City Manager Hannan, City Attorney Stone

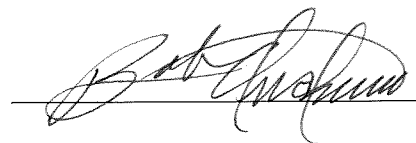
Topic: Potential lawsuit

ADJOURNMENT: The meeting was adjourned at 8:50 p.m.

ADOPTED by the Newberg City Council this day of August 20th, 2018.


Sue Ryan, City Recorder

ATTESTED by the Mayor this 23rd day of August, 2018.


Bob Andrews, Mayor

