

NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
January 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, Stephen McKinney, Scott Essin, and Matt Murray. City staff present were City Manager Joe Hannan, City Attorney Truman Stone, City Recorder Sue Ryan, Finance Director Matt Zook, Public Works Director Jay Harris, Community Development Director Doug Rux, Human Resources Director Anna Lee, Police Chief Brian Casey, Information Technology Director Dave Brooks, and Library Director Leah Griffith.

Mayor Andrews called the meeting to order. He had a correction to the December 18, 2017 minutes. The definition listed for construction excise tax was actually the definition for low income housing, not for the tax.

Public Works Director Harris reported on the Villa Road project, pavement maintenance plan and funding for it, selling street name signs, Bypass opening, well field emergency back-up generators, improving telemetry across the Willamette River between the Water Treatment Plant and well field, safety at the water line bridge, improvements at the Water Plant, leak repairs on settling basins, the Blaine Street stormwater project, DEQ report, Wastewater Master Plan, pump station work, security and data telemetry project at the Highway 240 Pump Station, Inflow and Infiltration projects, Public Safety Building seismic study, and improvements to the Public Works maintenance yard. There was discussion on erosion at the Water Treatment Plant and tarps on Eighth Street.

Library Director Griffith discussed library remodeling projects, author event in November, Oregon Battle of the Books program, online library additions of e-magazines, and Library Board scholarship program.

Finance Director Zook reported on the annual audit, long range financial planning meetings, utility billing, debt financing, refinancing of two existing debts, Citizens Rate Review Committee work, revenue audits, and emergency management training. There was discussion on refinancing City debt, and the potential Equal Pay program.

Human Resources Director Lee discussed current recruitments, new hires, Safety Committee work, AFSCME contract, workers compensation and employee benefits management, transferring NERPS employees to PERS, ongoing records management, and employee assistance programs.

Police Chief Casey gave 2017 statistics for the number of calls for service, complaints, citations, warnings, and arrests. He discussed Community Outreach Program events, fundraisers, community advisory boards, police officer recruitment, and reserve department needs. There was discussion on the low crime rate, Unidos program, and community safety.

Information Technology Director Brooks reviewed the IT activities from 2017 including service calls, on call hours, servers, data back-up, and departments contacting them for work. There was discussion regarding the number of servers the City had.

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CALL MEETING TO ORDER

Mayor Andrews called the business session to order at 7:00 p.m.

ROLL CALL

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

Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney
	Sue Ryan, City Recorder	Doug Rux, Community Development Director
	Matt Zook, Finance Director	Cheryl Caines, Senior Planner

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PRESENTATIONS: Finance Director Zook and Brad Bingenheimer of Boldt Carlisle and Smith presented on the 2016-2017 Financial Audit. The City received an unmodified report, which meant the financial statements presented fairly in all material respects. They discussed the total assets and net position of the City and the audit process.

MOTION: Bacon/Johnson moved to approve the independent auditor report and Comprehensive Annual Financial Report for the year ending on June 30, 2017. Motion carried (7 Yes/0 No).

CITY MANAGER'S REPORT: City Manager Hannan reported on meeting with ODOT regarding the Bypass opening and Everest intersection, meeting with Austin Industries, meeting with potential mill owners, financial audits, Martin Luther King, Jr. ceremony, community engagement, Lodging Tax Committee meeting, and Provoking Hope presentation.

PUBLIC COMMENT:

Tina Johnson, representing Newberg Veterinary Hospital, expressed support for the Newberg Animal Shelter. The proposal to sell the shelter building was a substantial concern because the shelter provided a service that was needed and supported by the community. A doctor from her hospital visited the shelter regularly to provide veterinarian oversight and animal care. The shelter had maintained a well-run, clean, and safe sanctuary for animals. The hospital also provided medical and surgical care for many shelter animals. The shelter's goal was to provide the care the animals needed before they were adopted out. They had also worked together to spay and neuter many dogs and cats. The shelter filled the gap of animal control in the City. Citizens could take roaming dogs to the shelter, could surrender their animals to the shelter, and the shelter helped locate lost animals. Newberg Police Officers had 24 hour/7 days a week access to the building to bring in protective custody or nuisance dogs. The shelter also took in stray and injured cats. If the animal shelter was sold, who would provide these services? She thought it should be a priority for the shelter to continue to provide a vital resource for the pets and people in the community. She asked that the City reconsider the sale of the animal shelter.

Councilor McKinney agreed about the importance of the shelter and the Friends group that ran the shelter. The Council was taking this decision seriously and he thanked everyone for their work. Councilor Essin also supported the animal shelter. No matter what happened, this building would remain an animal shelter.

CONSENT CALENDAR:

MOTION: Corey/Essin moved to approve the Consent Calendar and to approve the Council minutes for December 4, 18, and 20, 2017 with the minutes for December 18 as amended. Motion carried (7 Yes/0 No).

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PUBLIC HEARINGS:

Ordinance 2018-2824, Population Projections

Mayor Andrews called the public hearing to order. He asked for abstentions, conflicts of interest, or objections to jurisdiction. There were none.

Senior Planner Caines presented the staff report. In 2013 the state passed legislation that required Portland State University to complete Population Forecasts for every jurisdiction in the state. Recently Yamhill County's population forecast was completed. These forecasts were updated every four years. This ordinance would update the population growth information in Newberg's Comprehensive Plan. These numbers would be used in planning for housing and economic needs and the Urban Growth Boundary expansion process. The Planning Commission held a hearing on this item in December and recommended adoption of this amendment as proposed.

Councilor McKinney asked about the actual numbers that they were adopting. CDD Rux explained they were taking the numbers of the first 20 year horizon beginning in 2017. Councilor Johnson asked about the purpose of these numbers. CDD Rux clarified the numbers were used for planning purposes, such as for the UGB expansion and Wastewater Master Plan.

Proponents: None

Opponents: None

Undecided: None

City Recorder Ryan said the ordinance was not posted one week in advance and the Council could not waive the second reading. This was for first reading only. It was the same for all of the ordinances on the agenda tonight.

Mayor Andrews closed the public hearing.

Ordinance 2018-2821, new legal description:

Mayor Andrews called the public hearing to order. He asked for abstentions, conflicts of interest, or objections to jurisdiction. There were none.

CDD Rux provided the staff report. This ordinance would adopt the new legal description for the City limits. The last time this was done was in 2000. All of the annexations since 2000 had been added to the description to June 2017. The intent was every year staff would ask for funding to update the description.

Proponents: None

Opponents: None

Undecided: None

Mayor Andrews closed the public hearing.

Ordinance 2018-2822, creation of private streets

Mayor Andrews called the public hearing to order. He asked for abstentions, conflicts of interest, or objections to jurisdiction. There were none.

CDD Rux entered the staff report and exhibits into the record (Exhibit A). This was a request to modify the Planned Unit Development regulations to allow private streets. PUDs were reviewed by the Planning Commission. They allowed flexibility in the standards to better meet housing needs and targets. The City stopped allowing private streets in 1999 due to parking enforcement and emergency vehicle access issues. Private streets could be narrower than public streets and they allowed for denser neighborhoods, which helped

meet housing goals. Planning Commission discussed how many dwelling units to allow on a private street, and the recommendation was 50 dwelling units. Another issue discussed was requiring a Homeowners Association that was run by a community management company in perpetuity to enforce the no parking rules, and to maintain the street. Amendments included requiring a reserve study to show enough funds for street maintenance. Applicants must show there was on and off street parking sufficient for the expected demand of the developments. It would have to be a Class 1 community. The width of the private street needed to be adequate for emergency vehicle access.

Councilor McKinney asked what a Class 1 Community was. City Attorney Stone said under the ORS there were Class 1, 2, and 3 Communities which were Planned Unit Developments. Class 1 had certain requirements that had to be met, such as a reserve study.

CDD Rux said if a PUD was established, a Homeowners Association would provide an annual report on the anniversary date of the final plat. In the comments from Mr. Soppe, there was concern that there was not a deed included for enforcement of the parking. It was possible to create a deed if the Council wished. Another discussion by the Planning Commission was concern about enforcement.

Councilor Murray asked about the burden on code enforcement and if more staff would be needed. CA Stone said if it came to the City's attention that the Homeowners Association and management company were not fulfilling their duties, the Association would be the ones cited into court potentially. There were many ways to enforce provisions in the code besides using code enforcement. Councilor Essin said under these regulations the Homeowners Association could repair the private streets, sidewalks, trees, etc. without having to wait for the City. It would also save the City money because they did not have to pay for those repairs.

CDD Rux said this flexible tool could help with developing affordable housing, could reduce maintenance costs, had a higher level of review with the Planning Commission, a minimum of 50 dwelling units were required, a community management company was required, and it gave the Planning Commission criteria to approve or deny a private street.

Councilor Johnson did not think these types of developments were affordable housing. CDD Rux said the affordability came with the narrower street, which took up less land and allowed more units. That helped construction costs go down and it would get the units closer to affordable price points.

Proponent: Michael Robinson, land use attorney, said his client was preparing to develop property north of Highway 99W at Providence Lane. This amendment was initiated because of affordability. His client committed that his project would include affordable units. The scale, more developable land, less infrastructure costs, and less maintenance costs made the initial price less and the monthly assessments per homeowner less. Mr. Soppe had asked about doing this city-wide instead of through a PUD, but that would require amending the Transportation System Plan. The community management company would be able to enforce the no parking rules, and street maintenance. The ordinance was set up to prevent problems, and if problems occurred it had a structure to resolve them. Mr. Soppe had asked for an additional section in the code, and he was fine with that. These changes would make PUDs appropriately designed. Ultimately it would be the Planning Commission's decision to approve the PUD and PUDs would have to satisfy the Fire Marshall and City Engineer to make sure public safety was maintained. He recommended approval.

Opponent: Robert Soppe, Newberg resident, said he supported narrower roads, but they should become part of the Code not some special right given to a PUD. Safety considerations, walkable neighborhoods, and higher density were things they wanted City-wide not just in PUDs. The real issue was that existing standards were inappropriate. He suggested if Council supported the idea of private streets, they should initiate a process to revise the code to support the same standards where appropriate.

Councilor McKinney would like to see a universal application. He thought cars should be in garages at night to alleviate problems, especially for emergency vehicles. What was good for a PUD was good for the whole community. Councilor Essin was a proponent for narrower streets. What was beneficial to private streets was the fact the City did not have to fix or maintain them. Councilor McKinney asked about previous issues with private streets. Mr. Soppe said the main issue was parking on the streets that were supposed to be no parking. Mayor Andrews said past issues were on small streets here and there, not in an organized development as was being presented here.

Mayor Andrews closed the public hearing.
There was a brief recess.

NEW BUSINESS:

Resolution 2018-3429, TLT grant awards for marketing:

CDD Rux said would award Destination Development Marketing grants. Solicitation began in July 2017 and closed in October 2017. They had up to \$430,000 in funding available. Six applications were submitted, were reviewed in November with recommendations in December. This included three grants to Newberg Downtown Wineries Association for a strategic multi-media presence for \$20,000; Chehalem Cultural Center culinary enrichment center for \$250,000; and Wolves and People Steins to Vines Trail for \$30,000. That was a total of \$300,000. Councilor Murray asked if the remaining funds rolled to the next year. CDD Rux said yes, they would be re-budgeted for the coming year.

Opponents:

David Wall said TLT had significant structural problems. One was giving taxpayer money to third party businesses that were not in Newberg to enrich their business under an illusory promise that they would open the floodgates for tourism. He did not think one of these applicants met the eligibility criteria for funding as they were outside of Newberg. There were no performance targets or audits for the awards. Applicants did not have to disclose current problems with County permitting and the County did not enforce the conditions on permits. He thought the TLT fund needed to be self-sustaining, including staff that were currently funded through the General Fund.

There was discussion about the purpose and intent of the Transient Lodging Tax monies.

Vicki Shepherd was opposed to the funding for the Wolves and People Steins to Vines project because this business entity did not belong in a neighborhood or land designated EF-20, agricultural land. The applicant asserted that most neighbors liked coming to the brewery, but that was untrue. The applicant used social media to garner mass support. The funding was supposed to steer visitors to restaurants and other related businesses in Newberg. There were food carts near the brewery, and she questioned if the food carts were from Newberg businesses. These food carts competed with Newberg's restaurants. She did not think it was right to give money to a business outside of the City as she did not see a benefit to Newberg. The building of trails on the agricultural land was ludicrous. Chemicals were used in this area, and it was not safe to walk on the trails. Customers could be drunk and fall down. She could see the potential for lawsuits, health and safety injuries, and lower property values. The applicant's permit approval at Yamhill County stated no new permanent structures were allowed. She questioned why the applicant was proposing to build a new pavilion. The usage of this agricultural land for other than its intended purposes would be appealed to the Yamhill County Commissioners when the applicant sought to renew his agritourism permit, and to LUBA if necessary. It was premature of the City to grant this request at this time. She thought it should be denied.

Joyce Damman, Newberg resident, read a letter from her attorney who recommended denial of the Wolves and People project. The City should not expend funds on a walking path that might prove to be useless in a matter of months. Their agritourism permit must be renewed in March and the applicant had failed to comply with the rules of the current permit. The renewal would most likely be denied and the TLT grant would serve no

purpose. The applicant was only supposed to operate the brewery for 18 agritourism events per year. But they had been running a normal brewery operation. The events exceeded operating hours, and the 18 allowed weekends. They also had food carts on the premises. She said attendance exceeded 250 people per day. The barn was used as a brewery and tasting room. The applicant viewed the brewery as the predominant and future use of the property instead of being subordinate to the hazelnut farm. Neither the brewery nor the events were supporting the hazelnut farm. Their grant request did not mention supporting the hazelnut farm, but focused on bringing tourists to the brewery. She felt the permit renewal would be denied, and the funds expended on a walking trail would be misspent.

Councilor Johnson asked about Attachment 8. CDD Rux explained the scoring sheet by the TLT Committee. They had reduced the funding requested so it would be a one-to-one match. Councilor McKinney suggested referring applications back to committee. He had reservations about the grant monies, and how they should be expended. He did not support this proposal.

Councilor Corey also had concern regarding the Wolves and People application as they were outside of the City limits and he did not see a connection with bringing tourists to Newberg. He also questioned if the trail would bring in more tourists. He did not see this as a benefit to Newberg. Councilor Murray said Wolves and People had a good product, but he was concerned about this business not being a good neighbor and not following the rules. It would not draw the traffic into Newberg and the trail would be on private property. He was not in support of the grant award for this business.

Councilor Johnson said Council created criteria for the grants and the applicant had followed the rules. The rules allowed this location to apply, even though it was not in the City limits. The trail was less than 5 miles from the Allison Inn. He thought people coming to the trail would stay there and eat dinner in town. They needed to be careful about basing the decision on the business not being in the City limits, as the location could bring people into the City. He supported the proposal.

CM Hannan said the controversy over the County permit was new information that the TLT committee did not know about. This was a facility that would drive people to stay a night in the City, which was part of the tourism strategy. Councilor Essin was in favor of approving the other two grants, but not the one for Wolves and People. Councilor Bacon suggested delaying the decision on the Wolves and People application until the permit issue was resolved. One of the things missing was things for tourists to do, and this would fit that need. CDD Rux said the Council could amend the resolution to only include the other two applications and direct staff to further evaluate Wolves and People's request. The TLT committee did not have the information presented to the City Council tonight. He explained the process, and reasons for their recommendation.

Councilor McKinney supported the other 2 applications. He thought the Cultural Center wayfinding project should also be included in the funding. There was discussion on how to proceed with the resolution. Councilor Murray said the Wolves and People application did follow the rules for location and the contract could be terminated at any time. Councilor Essin thought the proposal should be sent back to the TLT committee and reviewed in light of the new information.

MOTION: Johnson/Murray moved to direct staff to send the Wolves and People application for the Steins to Vines Trail back to the TLT committee for further review. Motion carried (7 Yes/0 No).

MOTION: Johnson/Murray moved to amend Resolution 2018-3429, A Resolution awarding Transient Lodging Tax Destination Development Marketing Grant Funds to the Chehalem Cultural Center and Newberg Downtown Wineries Association by deleting Resolves Number 3 and Amending Resolves Number 4. Motion carried (7 Yes/0 No).

Resolution 2018-3435, Title 15 code amendment building line lot width:

CDD Rux said Del Boca Vista had been in conversation with City staff about initiating a Development Code amendment to reduce lot width requirements at the building line. He explained the process for the code amendment.

Proponent: Dan Danicic, Del Boca Vista, spoke in favor of initiating this process, which would allow the Planning Commission to consider the amendment. The amendment would help provide diversity in the R-1 zone and provide different price points for projects.

There was a brief discussion on price points and the amount of lots that would be created.

MOTION: Johnson/Bacon moved to approve Resolution 2017-3435, A Resolution initiating an amendment to the Newberg Municipal Code, Title 15 Development Code for lot width at the building line in R-1 and R-2. Motion carried (7 Yes/0 No).

CM Hannan asked for direction on bringing back the request to the next Council meeting for transferring the Animal Shelter to the Friends group. There was consensus to put it on the next agenda.

EXECUTIVE SESSION pursuant to ORS 192.660 (2)(d) Labor Negotiator Consultations

Start: 10:22 p.m.

Stop: 10:36 p.m.

Staff present: Human Resources Director Lee, Public Works Director Harris, City Manager Hannan, City Attorney Stone

Topic: AFSCME Union Contract negotiations update

ADJOURNMENT: The meeting was adjourned at 10:36 p.m.

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


Sue Ryan, City Recorder

ATTESTED by the Mayor this 22nd day of February, 2018.

 Bob Andrews, Mayor

