

**NEWBERG CITY COUNCIL MINUTES**  
**REGULAR SESSION**  
**February 5, 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, Scott Essin, and Matt Murray. Councilor Stephen McKinney was excused. City staff present were City Manager Joe Hannan, City Attorney Truman Stone, City Recorder Sue Ryan, Human Resources Director Anna Lee, Library Director Leah Griffith, Finance Director Matt Zook, Community Development Director Doug Rux, and Public Works Director Jay Harris

Mayor Andrews called the meeting to order.

City Manager Hannan presented a Council Priorities update. The first was to maintain a state-of-the-art 9-1-1 center. To upgrade the equipment and furniture in the Dispatch Center would be about \$70,000. The Text to 9-1-1 program was happening now. Some CAD computers had been replaced and staff was still looking at whether the 9-1-1 center should be a stand-alone or not. There had been an analysis of Fiberlink and fiber needed to be a broader discussion. Fiber would make the system more resilient and would help with economic development, particularly at the mill site. They were continuing the process with WCCCA regarding the radio system upgrade and things were progressing as expected.

Finance Director Zook said staff researched financing the radio upgrade. He had looked into an equipment lease with US Bank. An RFP for different bank rates would come to Council on February 20. CM Hannan said staff had been going through a pre-application process for consultants regarding finding the tower location. They had agreed the right location was the City's maintenance yard. There would be a public hearing for neighborhood residents before the request goes to the Planning Commission.

CM Hannan said the second goal was about streets and sidewalks. Public Works Director Harris said they completed the five year capital improvement plan for road pavement assuming the existing level of funding. This is \$1.8 million per year. They were updating the Pavement Condition Index model to the five year plan. He would present to Council in March on supplemental funding for the pavement system. Regarding Goal 2.3, they would discuss the State transportation package and how shared revenue would help cover the gap that the Transportation Utility Fee was not covering. The five-year capital improvement plan would be updated every year. CM Hannan said the plan would be put on the City's website as well. He saw value in showing the street inventory and if a street did not get done, they would have to be able to explain why. Councilor Johnson thought they should only include streets that would be worked on for the year on the website, not the whole five year plan as it was subject to change.

CM Hannan said the next goal was about the TVF&R annexation. They were waiting for an election in Washington County. He had been meeting with the Board and staff of TVF&R to put the Intergovernmental Agreement together for the annexation to go into effect on July 1. The next goal was about employee retirement plans.

Human Resources Director Lee said staff would be presenting to Council an updated AFSCME contract that as of January 1, 2018 moved all newly hired AFSCME employees to the PERS system.

CM Hannan said the goals for Technology were being met, although he suggested revisiting the Technology Plan. The Trak-It system had been put into place. Community Development Director Rux said the Trak-It system allowed planning, building, engineering, and public works permitting to be all in one system. It also linked into the financial software. The kinks were being worked out and configure modifications were being done. This made processes more efficient.

CM Hannan said the next goal revolved around financial planning and policies. Finance Director Zook said the Council had seen the Long Range Financial Plan in action to generate discussion as staff was preparing the 2018-19 budget. Financial policies had been developed in light of the challenge in the General Fund. They were balancing the need for policy and the need to be prudent in how finances were managed.

CDD Rux said the next goal was about the Urban Growth Boundary expansion. He had been working with the state to fix the streamlined process. He was also working on the draft scope of work, which would include a buildable lands inventory update. The update would occur after the state made the technical fixes which should be done by the end of June. He had also met with the County Assessor regarding their classifications and how those classifications should not be used for a land to improvement ratio methodology as was included in the streamlined process. That was one of the fixes that needed to occur. There was a Citizens Advisory Committee for the first phase of the streamlined process. They had been contacted to continue on with the process. He had also put together a list of people for the Technical Advisory Committee. He explained all of the documents would be ready for Council adoption by May 2019.

CDD Rux said the next goal was about affordable housing. Council had discussed the Housing Newberg proposals. Staff was working on the annexation policies and they would go to the Planning Commission in March and to Council in April. Accessory Dwelling Unit provisions were being worked on. He would be working on the Construction Excise Tax in the future. There had been some internal discussion regarding the missing middle housing.

CM Hannan said the next goal was about the Riverfront Master Plan. They were still short a planner and this item had been put on hold until that planner was hired. CDD Rux reported on the status of the Riverfront Master Plan grant application with the state.

CM Hannan said the next goal was emergency preparedness. PWSD Harris said City employees were keeping track of their emergency preparedness training. Copies of employee certifications would go into their HR files. Supply storage was limited at the primary Emergency Operations Center and he was looking to add some counter top space. Mary Newell had submitted a grant to Homeland Security for a storage container and fuel bladders. Several employees had recently completed the EOC coursework and would be added to the pool of available employees to operate the EOC. The City was working with TVF&R to come up with communications training exercises that would be valuable to both teams.

CDD Rux said the next goal was Economic Development. There was an Economic Development Strategies Work Group that met on a monthly basis. He would give the Council a report on the Downtown Plan in March. He was working on the appraisal for the Butler property. There was a 20 unit apartment project proposed at 2<sup>nd</sup> and Edwards streets. He had been talking with people about bringing a hotel downtown and repurposing the building at 1<sup>st</sup> and Blaine streets. Façade improvements had taken place for two historic buildings. The food cart pod was open on 1<sup>st</sup>. There had been a pre-application meeting for an office building on 2<sup>nd</sup> and he met with someone interested in building apartments on 2<sup>nd</sup>. Under the Tourism Strategy, three recommendations had been brought forward for the Destination Development Marketing grants. The Council approved two and referred one back to the TLT Committee. The TLT Marketing Subcommittee had been discussing the marketing program and made a proposal for changes at the Chamber.

CM Hannan said the next goal was communication and he proposed that conversation be done at another meeting as well as a discussion about technology. The last goal was in regard to transit. Councilor Essin gave an update on the new routes that had been proposed to the Yamhill County Transit Authority. Establishing a transit hub downtown was also requested.

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## CALL MEETING TO ORDER

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

## ROLL CALL

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

Members Absent: Stephen McKinney – excused

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
	Caleb Lippard, Assistant Finance Director	

**PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was performed.

**CITY MANAGER’S REPORT:** City Manager Hannan reported on a GPS policy, new *Graphic* reporter tour of City facilities, meeting with Newberg Animal Shelter Friends, participation with Yamhill County Transit Authority, meeting with a consultant on reuse water temperatures, meeting with Department Directors, Bypass Parkway Committee meeting, potential reuse of wood from the Villa Oak trees, TLT Marketing Subcommittee meeting, Sportsman’s Airpark FAA application, Downtown Coalition projects, Butler property appraisal, Council of Governments awards dinner, YCAP Youth Center and affordable housing initiatives, emergency management meetings, and Police Department fundraisers.

## COUNCIL APPOINTMENTS:

**MOTION: Bacon/Corey** moved to approve the appointment of John Wuitschick, Jr. to the Planning Commission for a term of February 5, 2018 to December 31, 2020. Motion carried (6 Yes/0 No/1 Absent [McKinney]).

## PUBLIC COMMENTS:

David Wall shared his ideas on TLT grants. He said rating criteria needed to be reviewed. This was public money and distributing it properly was important. Regarding the wastewater discharge and Water Pollution Control Plan, he suggested the City look into a metered flow, equilibration basin, serpentine tanks, and solar refrigeration. Oregon’s main economy was agriculture and farmland needed to be protected.

Rebecca Wallis, Family Pet Partners, gave an update on their services. Yamhill County decided March 2017 that animal control would become a City responsibility as of July 1, 2017. Since their group helped the City respond to dog-at-large calls, lost and found dogs, and complaints. They partnered with others to house exotic animals. The Partners were the only organization receiving calls dispatched by the 9-1-1 system. Newberg still had Animal Control Services. All officers fulfilled the duties of animal control when dispatched to do so or referred calls to Family Pet Partners when it was something that could be handled without a police officer. At times the Partners called the Police Department for assistance and officers were readily available whenever needed. The Partners provided services at no cost to the City. They had been operating in Newberg since January 2017 and they looked forward to expanding services.

## NEW BUSINESS: Potential Sale of the Newberg Animal Shelter:

CM Hannan said the City was looking for funding to upgrade communications. One options was selling City assets. Staff researched selling the Butler and Animal Shelter properties. A lot of community concern had been raised regarding the sale of the Animal Shelter and this was an opportunity to discuss the issue further. The appraisal was not completed for the Animal Shelter yet. Staff had collected all of the information on what the City spent to build the building, money raised by the Friends group, and additional funds raised for building

improvements. The Friends wanted to continue the current contract. But if the City planned to sell the shelter they wanted to have donations recognized and be given a right of first refusal. The purpose of this item was for the Council to make a statement of intent, that the City formally recognize the value of the donations and grant revenues that were contributed by the Friends, and to direct staff to hold a public hearing on March 19.

Councilor Bacon asked if the money would be returned to the Friends group or stay with the City. CM Hannan explained the Council would decide what would happen with the proceeds if the building was sold.

Councilor Johnson asked about the cost-benefit of selling the property. CM Hannan said they did not know the value of the property yet or if there would be a profit if they sold it. The purpose of starting this process was to see what could be done to pay for the communications upgrade. Staff would come back with alternatives once the appraisal was done and the Council would decide the next steps. CDD Rux said the instructions to the appraiser were to appraise the property as an industrial piece of property with a building that had no restrictions. It would be a fair market comparison for industrial land. The issue about limiting it to an animal shelter would be discussed at the public hearing in March. Councilor Johnson asked when the current lease with the Friends expired. CM Hannan answered June 2018. The Friends' preference was to continue the lease.

Councilor Essin said the City agreed to use the donations for an animal shelter. He thought they should maintain that intent. The Friends were currently operating the shelter, and would have to compete for the sale of the building. The property would be a different value if sold as an industrial property than if it was limited to be sold as an animal shelter. He did not think much profit would come from the sale. The Friends was asking for a right of first refusal, and he thought that was reasonable. However, he thought the sale would not work out and preferred to renew the lease.

Councilor Bacon donated money to build an animal shelter. Animal shelters were not a function of government, and she did not care who ran it or who profited from her donation as long as there was an animal shelter. If they were not giving the credit to any animal shelter, it did not make sense to say it had to be an animal shelter. People had donated money for it to be an animal shelter.

CM Hannan said the Council could vote on each item as three separate recommendations. Another alternative was to direct staff to present a detailed list of all the donations at the public hearing. This was a City facility, and the Council would make the decision on the distribution of the money. There was an organization that had been meeting with the Friends. They were willing to help finance the sale assuming the value was worth more than the appraisal. There were ongoing costs at the shelter. Even if there was no capital to be gained by the sale, the Council might still want to sell the facility due to the budget costs.

Councilor Johnson asked why they had decided to do the appraisal as an industrial property with a building on it verses as an animal shelter. CM Hannan said they were looking at the highest and best use of the property. Councilor Essin said most of the time shelters were handled by the County, but the County had transferred that responsibility to the City. The City needed this service, and he was thrilled that the Friends had taken it on for the community. He thought they should continue with the appraisal process and see where that led. Councilor Bacon said there was a difference between the function of government and taking care of local animals. Mayor Andrews asked if the City could not accept a right of first refusal before the public hearing.

City Attorney Stone said the sale of real property was governed by ORS 221.275. The statute had requirements prior to the sale of real property. He advised that this was a property right. It shouldn't be given without going through the public hearing process. He was not aware of any other animal shelter that had been sold recently in the State. The appraiser could not do a sales comparison for the value of this property as an animal shelter. Even to find comparables for a property like the Butler property had been difficult as there were no recent comparable sales. CM Hannan said the only value they could put on other county animal shelters was through their insurance policies.

Mayor Andrews asked if passing this motion would indicate a deed restriction. CA Stone did not think it would.

**MOTION: Murray/Bacon** moved to approve the City's declaration of its intent that the Newberg Animal Shelter continue to be used as an animal shelter, that the City recognize the value of the donations and grant revenues contributed by the Newberg Animal Shelter Friends (NASF) to construct and improve the Newberg Animal Shelter if the Shelter is sold, and that a public hearing on the sale of the Animal Shelter be scheduled for March 19, 2018.

Deliberations: Councilor Johnson was not in support of the motion. It was not a good first step because they did not have the appraisal yet for the property.

**AMENDMENT TO THE MOTION: Essin/Johnson** moved to table the decision until the appraisal was completed. Mayor Andrews clarified the decision would be postponed until the first Council meeting following receipt of the appraisal. Motion amendment carried (6 Yes/0 No/1 Absent [McKinney]).

#### **CONSENT CALENDAR:**

**MOTION: Corey/Murray** moved to approve the Consent Calendar including Council Minutes for January 2, 9, and 11, 2018 and Resolution 2018-3438, A Resolution approving an Intergovernmental Agreement between the City of Newberg and Mid-Willamette Valley Council of Governments for Economic Development Revolving Loan Fund services. Motion carried (6 Yes/0 No/1 Absent [McKinney]).

#### **CONTINUED BUSINESS:**

Cal Portland adjustment: Caleb Lippard, Assistant Finance Director, said Council had directed staff to renegotiate the credit amount for the 2016 charges to Cal Portland's municipal services account. This was due to an error in the City's system. The amount had been reduced as requested.

**MOTION: Bacon/Corey** moved to approve a leak adjustment in the amount of \$5,645.54 to apply toward Cal Portland's Municipal Services account. Motion carried (6 Yes/0 No/1 Absent [McKinney]).

Ordinance 2018-2821, Legal Description: CDD Rux said at the last Council meeting the Council held a hearing updating the legal description of the City limits. That hearing was closed. An update had not been done since 2000. The new legal description had been sent to the Department of Revenue and Yamhill County and no comments had been received.

**MOTION: Corey/Johnson** moved to approve Ordinance 2018-2821 to be read by title only, An Ordinance adopting a new legal description of the Newberg City limits. Motion carried (6 Yes/0 No/1 Absent [McKinney]).

#### Ordinance 2018-2822, Private Streets in Planned Unit Developments:

Mayor Andrews said the public hearing had been closed on this ordinance, but there were people who wished to provide testimony tonight.

**MOTION: Bacon/Johnson** moved to reopen the public hearing. Motion carried (6 Yes/0 No/1 Absent [McKinney]).

Mayor Andrews called for any abstentions, conflicts of interest, or objections to jurisdiction. There were none.

CDD Rux said this proposed to allow private streets in Planned Unit Developments. It was reviewed by the Planning Commission who recommended approval with some caveats. These included: 50 or more dwelling units, Class 1 Community, A Homeowners Association managed by a professional company, Preliminary Parking Plan, Preliminary Reserve Study, and Annual Reserve Study. The City Engineer and Fire Marshall also had to agree to the private street. The Planning Commission had the authority to approve or deny a private

street. If the parking restrictions on the private street were not enforced, it could be turned over to Code Enforcement.

Councilor Murray said over the weekend he had walked around the City and he noted there were many alleyways and private streets where no one was parked. He thought this ordinance dealt with any issues that might arise and it would help bring affordable housing to the City.

Proponents: Andrew Tull, 3J Consulting, said an email from Roger Currier was submitted after the close of the record. He wanted to offer rebuttal testimony to it. He handed out a packet of rebuttal comments, examples of private streets being successful in other developments, and costs associated with a private street system. What his client was contemplating with property in Newberg was separating the development into pods. These were serviced like an apartment complex. There would not be a lot of cross traffic. Parking could be increased by providing head in parking throughout the private street network. This would be a higher density of up to 20 detached units per acre. Open space and parking provisions would still be accomplished.

Jesse Nemec, JT Smith Companies, said private streets provided design opportunities and densities that otherwise would not be available, especially for irregular lots. When used in a PUD there would be additional scrutiny by the Planning Commission. He thought private streets would be used in a good way to provide high density projects.

Opponents: Roger Currier's email had been entered into record.

CDD Rux recommended approval of the ordinance.

**MOTION: Bacon/Murray** moved to approve Ordinance 2018-2822 to be read by title only, An Ordinance amending the Newberg Development Code to allow for the creation of private streets in Planned Unit Developments (PUDs).

Deliberation: Councilor Bacon said affordable housing was a Council goal. She thought they learned from past mistakes. This was also an opportunity to review street widths of all City roads. The City would not have to pay for the repair of these private streets. Councilor Johnson favored it because the City would not be responsible for the maintenance. There was a need to balance affordable housing with the City's budget shortfall. This was a creative way to solve multiple problems with simple tools. Mayor Andrews thought this was a move in the right direction.

Motion carried (6 Yes/0 No/1 Absent [McKinney]).

#### Ordinance 2018-2824, Comprehensive Plan – Population projections:

Senior Planner Caines said at the last Council meeting a public hearing was held to consider proposed amendments to the Comprehensive Plan to amend the population forecasts. This information would be used for future planning.

**MOTION: Corey/Johnson** moved to approve Ordinance 2018-2824 to be read by title only, An Ordinance amending the Newberg Comprehensive Plan, Section IV (Subsections A and B) to reflect updated historic and projected population information. Motion carried (6 Yes/0 No/1 Absent [McKinney]).

#### **NEW BUSINESS:**

##### Resolution 2018-3434

CDD Rux said this was to initiate a code text amendment process for the Wastewater Master Plan update. The last time the Plan was updated was in 2007. A consultant worked with the City and several Technical Advisory Committee meetings and Public Advisory Committee meetings had been held. The final draft of the Plan should be completed in the spring and it would be sent to the Planning Commission in May and then to the Council in June.

**MOTION:** Bacon/Murray moved to approve Resolution 2018-3434, A Resolution initiating a Comprehensive Plan text amendment for the Wastewater Master Plan update. (6 Yes/0 No/1 Absent [McKinney]).

2007 Water Master Plan review:

SP Caines reviewed the 2007 Water Management and Conservation Plan. This plan was required by the state to ensure the efficient use of water resources, and to ensure the City's water supply over time. The plan outlined the City's water sources, conservation measures currently being done or planned to be done by the City, and what to do if there was a situation of insufficient water such as during a drought. Conservation measures included audits, system improvements, public education, and a recycled water system. This was an old plan, and many things had changed with the water system. The City recently adopted an updated Water Master Plan and part of the requirements in the plan was to update this Water Management and Conservation Plan. The City would also be reviewing water rights.

**COUNCIL BUSINESS:**

City Recorder Ryan reminded the Council about their SEI filing and reviewed the Council's February calendar.

CM Hannan said there was an opportunity for someone from this area to serve on an advisory committee to the Oregon State Parks Board.

Councilor Bacon said they raised \$7,500 at the Police Foundation fundraiser on Friday evening.


Councilor Johnson would like staff to look into a program for low income that if they paid the water and sewer portion of their Municipal Water Statements but did not pay the fees that their water would not be shut off. He would like to know the budgetary and legal impacts.

Mayor Andrews would like to know how many shut offs there were typically in a month.

There was consensus for staff to come back with the information post budget season.

**ADJOURNMENT:** The meeting was adjourned at 9:22 p.m.

**ADOPTED** by the Newberg City Council this 20<sup>th</sup> day of February, 2018.

  
Sue Ryan, City Recorder

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

  
Bob Andrews, Mayor

