

NEWBERG CITY COUNCIL MINUTES
REGULAR SESSION
April 2, 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, Mike Corey, Scott Essin, Stephen McKinney, and Matt Murray. Council President Denise Bacon was excused. City staff present were City Manager Joe Hannan, City Recorder Sue Ryan, Community Development Director Doug Rux, Police Support Services Manager Mary Newell, 9-1-1 Supervisor Lauri Steinbeck, and Public Works Director Jay Harris. Also present were Planning Commission members including Chair Phil Smith, John Wuitschick, Jr., and Jason Dale. The Council met in a joint session with the Newberg Planning Commission.

Urban Growth Boundary Expansion Process: The earlier UGB expansion process in the southeast went through remediation, and the City withdrew it. Since then the state had a new process. The City found technical problems while trying to follow it. Staff worked with LCDC to fix technical issues, possibly by June 2018. Technical fixes were needed for what was considered vacant, and partially vacant land. There was discussion on the former mill site (Westrock/Smurfit) property and how it fit with the UGB work. CDD Rux said there was not just a need for more employment land, but also for residential land. Discussion ensued regarding population projections and UGB expansion.

Residential Parking Standards: The Planning Commission discussed guest parking in residential developments. The current requirements were for two off-street parking spaces, and garages could count for one space. However, most people used their garages for storage, not for vehicles. It might not be an issue in R-1 but it might be in R-2 and even more so on cul-de-sacs. There was discussion on how to solve the issue of parking requirements, possibly requiring people to park cars in garages, allowing developers some flexibility in lot usage, whether the Commission had talked with Traffic Safety Commission, and involving Homeowners Associations.

Riverfront Master Plan: A kick off meeting with the consultant was held. A tour of the entire site would be April 13. A citizens' advisory committee had been appointed. The work would take about 18 months. There was discussion on the percentages of riverfront ownership and future development.

Hearings Officer: Staff would be coming back in the fall with more information on the idea of using a hearings officer to deal with quasi-judicial issues. There was discussion on how the concept should work, and who should be involved.

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
	Patrick Johnson	Matt Murray	
	Scott Essin		

Members Absent: Denise Bacon (excused)

Staff Present:	Joe Hannan, City Manager	Truman Stone, City Attorney
	Sue Ryan, City Recorder	Doug Rux, Community Development Director
	Matt Zook, Finance Director	Jay Harris, Public Works Director
	Kaaren Hofmann, City Engineer	Leah Griffith, Library Director

Mary Newell, Police Support Services Manager
Laurie Steinbeck, 9-1-1 Manager

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

PROCLAMATION: Mayor Andrews declared April 8-14, 2018 as National Library Week in Newberg. Library Director Griffith accepted the proclamation.

RECOGNITION OF 9-1-1 TELECOMMUNICATORS: Police Support Services Manager Mary Newell presented 9-1-1 Telecommunicators with a small gift and thank you cards for their work.

CITY MANAGER'S REPORT: City Manager Hannan reported working on the City's budget for upcoming meetings, evaluations on department directors, discussing an opportunity for a George Fox internship program, a County-wide tourism summit, the appraisal and sale of the animal shelter, potential buyers for the mill property, working with Downtown Coalition on a City Art brochure, working with a volunteer group on the renovation of the Cameo Theatre, a welcome luncheon for the new Dayton City Manager, possible options to finance a pump station for Veritas School the update of the Economic Development Strategy, and the Council Rules subcommittee. He announced more than 4.5 miles of new sidewalks built in the City. He asked the Council to read the employee newsletter, and to let staff know if they would attend the Economic Forum.

PUBLIC COMMENTS: None.

CONSENT CALENDAR:

MOTION: Corey/Essin moved to approve the Consent Calendar including the Council Minutes for March 5, 2018. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

PUBLIC HEARINGS - Administrative: Resolutions 2018-3450, 2018-3451, and 2018-3452 Rates: Mayor Andrews opened the public hearing and called for abstentions or conflicts of interest. There were none.

Finance Director Zook and Deb Galardi, consultant, gave the staff report. FD Zook discussed the work of the Citizens Rate Review Committee (CRRC) who had reviewed the water, wastewater, stormwater, and transportation utility rates. They met from October 2017 to March 2018. The recommended rates would go into effect January 1, 2019 and January 1, 2020.

Ms. Galardi discussed the process for their review of the rates. There had been moderate customer growth, and steady consumption which led to stronger revenues. The City did an excellent job of planning for capital improvements and building reserves. That helped keep rates down. Aging infrastructure had to be replaced. There was a backlog of improvements, and a large debt burden from prior improvements to water and wastewater systems. The CRRC recommended a 4% water rate increase, a 3.5% wastewater rate increase, and a 9% stormwater rate increase. They did not recommend increasing the Transportation Utility Fee. The CRRC also recommended increasing the fixed charge cost recovery for water and wastewater.

The benchmark in the industry was 40% for fixed cost recovery, and the recommendation was an incremental 2% to 4% increase in the fixed charge for water and wastewater to help stabilize the revenues. They had also discussed the appropriate level of reserves while balancing that with the desire to keep rate increases at a minimum. She summarized the bill impacts with the proposed rate increases. For a typical residential user, the increase was about \$5 per month in 2019, and another \$5 per month in 2020. Newberg's rates were moderating while others were still seeing significant increases. Over time she thought they would move toward the middle.

Councilor McKinney asked as Newberg moved to the middle would their bills go down or would the other cities' bills be coming up? Ms. Galardi said the latter. There were growing needs, and the capital requirements

would need to continue to be funded. Councilor McKinney asked if \$120 was their mean for the next 5-7 years? Ms. Galardi said in the five-year forecast, they were projecting similar rate increases that were slightly below inflation. They would need to raise rates to keep up with inflation and continue to meet the investment needs. She thought in the next few years the City's rates would go up slower than surrounding communities so their position regionally would improve.

Councilor Corey said Newberg running their own system made it more costly than other communities. He thought the 3.5 to 4% increases were justified to cover inflation, and the expenses for capital projects.

Councilor Johnson asked if the Wastewater Master Plan update was taken into account when these rates were being created. City Engineer Hofmann said they took into account the projects in the current Master Plan and projects that could easily be swapped out for the projects in the updated Master Plan. She said every year the five-year plan could change in priority and staff made sure to stay under the dollar amounts as new projects were picked from the updated Plan. He would like staff to compare cities that were in similar situations to Newberg. He also requested that in the future the Council receive the residential rates before the meeting.

Councilor Murray suggested using the Community Engagement Specialist to address the community and help them understand what a regional system was. The City had its own water and wastewater treatment plants, and that was why the rates were higher. It was fairer to compare Newberg to towns with their own plants of a similar size and to communicate that to citizens in social media.

Proponents: None

Opponents: None

Undecided: None

FD Zook recommended approval of the resolutions.

Mayor Andrews closed the public hearing.

MOTION: Corey/McKinney moved to approve Resolution 2018-3450, A Resolution adopting new monthly water rates for the City of Newberg effective January 1, 2019 and January 1, 2020. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

MOTION: Murray/Corey moved to approve Resolution 2018-3451, A Resolution adopting new monthly wastewater rates for the City of Newberg effective January 1, 2019 and January 1, 2020. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

MOTION: Corey/Murray moved to approve Resolution 2018-3452, A Resolution adopting new monthly stormwater rates for the City of Newberg effective January 1, 2019 and January 1, 2020. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

PUBLIC HEARINGS - Legislative: Ordinance 2018-2829, Traffic Safety Commission

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

CE Hofmann gave the staff report. The Municipal Code addressed the establishment, purpose, duties, authority, and decision making process of the Traffic Safety Commission. There had been discussion regarding changing the primary staff liaison from the Police Department to Engineering Services, and changing the decision making process to allow for more public involvement before decisions were made. Other changes included clarifying the duties of the Commission, modifying decision processes, and clarifying the process to appeal decisions to the City Council. The police authority for permits to close streets remained the same. Councilor Murray asked if

her department could handle this change. CE Hofmann said yes, the Commission was meeting less often than it was in the past and there was money in the budget for traffic counts or public information campaigns that the Commission might want to do.

Proponents: None

Opponents: None

Undecided: None

CE Hofmann said staff recommended approval of the ordinance.

Mayor Andrews closed the hearing. Mayor Andrews was in favor of these code changes.

MOTION: McKinney/Corey moved to waive the second reading for Ordinance 2018-2829. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

MOTION: McKinney/Corey moved to approve Ordinance 2018-2829, An Ordinance amending Title 2 Chapter 15, Article V. Traffic Safety Commission of the Newberg Municipal Code, and read by title only. Motion carried (6 Yes/0 No/1 Absent [Bacon]).

Ordinance 2018-2826, R-3 zoning:

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

CDD Rux gave the staff report on the process to define “some” and “large” when it came to residential annexation applications including R-3 zoning. The Planning Commission decided that the definition of “large” as 15 acres or more. This should only include net acres, with stream corridors taken out, and be an aggregate of all parcels. “Some” R-3 land was defined as 10% of the net size. He explained the new language proposed in the Comprehensive Plan under the housing policy, location policies, mixed policies, HDR zoning, definitions of “some” and “large,” and required analysis for the R-3 land.

Councilor Johnson asked if there was a mechanism to waive these requirements for emergency hook ups to water or sewer for wells that went dry or failing septic systems. CDD Rux said there were hardship provisions in the Code. He explained this would only be for parcels that were 15 acres or more. Councilor McKinney asked if annexation was required for those in a hardship situation. He was concerned about creating unintended consequences. CDD Rux explained the Planning Commission was trying to implement the mixed use policy that was separate from the issue of hardship.

Councilor Essin talked to a developer about providing R-3 zoning for mixed housing whom thought it would be cost prohibitive due to the extra analysis. He was concerned that this was not the right method and would make projects more expensive. CDD Rux discussed the possibility of a Construction Excise Tax that would be used to partner with developers to provide more affordable housing. This proposal was clarifying language in the Comprehensive Plan and Code, not addressing housing affordability. He explained what the Planning Commission considered in making these text amendments.

Councilor Johnson asked about tabling the ordinance until all the Council members were present. CDD Rux said it was not time sensitive. CDD Rux finished his presentation. He explained the new language proposed in the Municipal Code mirrored what was proposed in the Comprehensive Plan.

Mayor Andrews asked the City Attorney to weigh in on the hardship issue. He did not think annexation was a requirement. City Attorney Stone clarified there were cases in the past where the Council chose to grant exemptions that did not follow the City’s policy. These hardship waivers were granted with the property owner agreeing to annex at the earliest opportunity. That was prior to the State Statute that made annexing easier and

not a vote of the citizens. Some parcels were not contiguous to the City limits and it would be a long time before they could be annexed. There were two different issues, 1) They qualify for a hardship exemption as the City set it up, 2) If the only way for the resident to get water was to annex now because annexation was possible, then they would have to go through the land use process. They would not have to develop the property right away, but it would have to come in being subdivided to include the R-3 land.

Councilor Murray suggested staff come back with more information regarding hardships. What was before the Council tonight was adding the definitions that the Council requested. CA Stone pointed out a typo on Page 4 of the Ordinance.

Proponents: None

Opponents: None

Undecided: None

Mayor Andrews closed the public hearing.

MOTION: Johnson/Murray moved to waive the second reading for Ordinance 2018-2826. Motion tied and failed. (3 Yes/3 No [Andrews, Essin, McKinney]/1 Absent [Bacon]).

Ordinance 2018-2830, Front building width line:

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

CDD Rux gave the staff report. He discussed the conflicting language in the Development Code regarding lot widths in residential zones. One of the issues was providing enough on-street parking for a development. This proposal did not change the minimum lot sizes or lot coverage requirements. What was being proposed was language stating each lot in R-2 would have a minimum width of 25 feet at the front building line and each lot in R-1 would have a minimum width of 35 feet at the front building line. This could create a narrower lot and a deeper back yard and could meet the City's density of 4.4 dwelling units per acre in R-1. He discussed examples of how the development pattern might look with these changes.

Councilor Johnson asked about the earlier discussion on residential parking. CDD Rux said the Planning Commission had looked at this proposal and recommended approval. The Commission had not found an answer to the residential parking issue yet. The position of the driveways became important in this proposal to allow for on-street parking.

Proponents: Dan Danicic and Jessica Cain, Del Boca Vista, concurred with the staff report and were open to any questions.

Councilor Essin asked if they had seen any of these development patterns and how had they worked. Ms. Cain discussed some communities where it did work. In one of the figures, it showed in R-1 there were 22 houses in a typical 400 foot block and there were 26 on-street parking spaces available if the driveways were spaced accordingly. In other figures it showed in R-2 that there were 30 houses in a typical 400 foot block and there were 28 on-street parking spaces. These were in addition to the required off-street parking spaces. When the lot sizes in R-1 and R-2 were reduced, the building width lot line was not and she thought this proposal should be approved. Councilor Corey asked if it was their intention to provide off-street and on-street parking. Ms. Cain said neighborhoods were more desirable when on-street parking was provided and they planned to maximize the ability to do so. Councilor Johnson asked about the price point for these homes. Ms. Cain explained the houses were not less in square footage. This proposal allowed for flexibility of product and the possibility of adding another house which might make the development more affordable. It allowed them to add product to the market that was not currently in the City.

Councilor McKinney asked if the developments would include CC&Rs and Homeowners Associations to create a requirement for people to park their cars in their garages. Ms. Cain said HOAs were typically undesirable to home buyers as they increased costs and created turmoil and they typically steered away from them. They usually put CC&Rs in place that were enforced by the neighbors. It would be difficult to enforce parking cars in garages. She thought defining a parking space in the code would be more effective.

Opponents: None

Undecided: None

CDD Rux recommended approval of the ordinance.

Mayor Andrews closed the public hearing.

MOTION: Essin/Corey moved to waive the second reading for Ordinance 2018-2830. Motion passed (5 Yes/1 No [McKinney] /1 Absent [Bacon]).

MOTION: Essin/Murray moved to approve Ordinance 2018-2830, An Ordinance amending the Newberg Municipal Code to reduce the front building width line in R-1 zones to 35 feet and in R-2 zones to 25 feet, and read by title only.

Deliberations: Councilor McKinney would be voting no because this was an unintended consequence to reducing lot sizes and it was not the best fit for those moving to Newberg and were looking for more space. Councilor Essin had seen these developments work well and it would help with affordability. Councilor Corey was in support. He would like to see the price points lowered for these homes.

Councilor Murray thought these developments would fit in the neighborhoods. The City was not driving the price, the market was, and he thought they should do what they could to support the builders in the community. Councilor Johnson was also in support. He thought it was a bookkeeping item because the lot sizes had already been reduced and this would match those reduced lot sizes. It would also help the City in the long run to maximize the use of the property in the City and Urban Growth Boundary. Mayor Andrews would be supporting the motion as well. This provided flexibility and it was not reducing lot size, but changing the configuration of the lot size.

Motion passed (5 Yes/1 No [McKinney]/1 Absent [Bacon]).

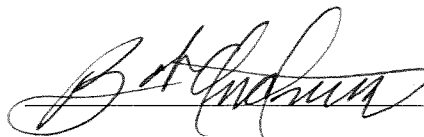
COUNCIL BUSINESS: Mayor Andrews announced a League of Oregon Cities regional meeting in Salem on Friday. Mayor Andrews and Councilor Johnson planned to attend. City Recorder Ryan said tours of Dispatch could be organized through Police Support Services Manager Newell.

ADJOURNMENT: The meeting was adjourned at 9:30 p.m.

ADOPTED by the Newberg City Council this 7th day of May, 2018.


Sue Ryan, City Recorder

ATTESTED by the Mayor this 10th day of May, 2018.

 Bob Andrews, Mayor