

**NEWBERG CITY COUNCIL MINUTES**  
**REGULAR SESSION**  
**April 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, Council President Denise Bacon, Councilors Patrick Johnson, Mike Corey, Scott Essin, Stephen McKinney, and Matt Murray. City staff present were City Manager Joe Hannan, City Recorder Sue Ryan, City Attorney Truman Stone, and Community Development Director Doug Rux.

The Council reviewed the Council agenda and then went into Executive Session.

**EXECUTIVE SESSION PURSUANT TO ORS 192.660 (2) E REAL PROPERTY**

Start: 6:05 p.m.

End: 6:57 p.m.

Staff present: City Manager Joe Hannan, City Attorney Truman Stone, Community Development Director Doug Rux, Finance Director Matt Zook.

Topic: Animal Shelter Appraisal

**CALL MEETING TO ORDER**

Mayor Andrews called the business session to order at 7:01 p.m.

**ROLL CALL**

Members Present:	Mayor Bob Andrews	Stephen McKinney	Mike Corey
	Patrick Johnson	Matt Murray	Denise Bacon
	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	Jay Harris, Public Works Director
	Kaaren Hofmann, City Engineer	

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

**CITY MANAGER'S REPORT:** City Manager Hannan reported on his activities including attending a future focus group meeting, coordinating Economic Development, and new County Administrator search discussion, presenting at Newberg Christian Church's Community Emergency Preparedness Fair, serving as City Club facilitator, meeting regarding the Animal Shelter sale, attending Chamber of Commerce Greeters meeting, attending the TVF&R Coordinating Committee meeting about the draft Intergovernmental Agreement, Waterfront Master Plan meeting, starting a communications intern, working on available resources for the homeless in Newberg, helping to find a permanent location for Anvil Academy, storing the wood from the trees that had come down on Villa Road, attending the Chamber Board meeting, attending the Employee Recognition Committee meeting, attending the Lodging Tax Committee meeting, meeting with downtown business owners regarding 2<sup>nd</sup> Street, meeting with staff and the department heads, and meeting regarding the Cameo Theatre renovation. The Budget Committee would be meeting tomorrow.

**COMMITTEE APPOINTMENT:** Mayor Andrews said Elise Yarnell was being appointed to replace Budget Committee Member Megan Morris who had moved out of town.

**MOTION:** Andrews/Corey moved to approve the appointment by Mayor Andrews of Elise Yarnell as a new member to the Budget Committee for a term of April 16, 2018 to December 31, 2019. Motion carried (7 Yes/0 No).

**PUBLIC COMMENTS:** None

**CONSENT CALENDAR:**

**MOTION:** **Bacon/Johnson** moved to approve the Consent Calendar including Resolution 2018-3461, authorizing an Intergovernmental Agreement between Yamhill County and the City of Newberg regarding dog control licensing revenue, and the Council Minutes for March 19, 2018. Motion carried (7 Yes/0 No).

**PUBLIC HEARING – Resolution 2018-3459, Water Service Hardship request:**

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

City Engineer Hofmann gave the staff report. This was a hardship request for water service to Tax Lot 3324AD-00600. This property was outside the Urban Growth Boundary. The applicant provided written findings relevant to the criteria. City staff did not concur with the findings as they did not meet the hardship criteria, specifically where the Newberg Municipal Code stated no new water users were to be connected to group customer lines, and the City would not serve or supply water to additional users outside of the City limits except for those in service or ready for service. The Code also stated that new or additional connections could only be used to supply water to existing structures, not new development. Currently the site was vacant. The applicant planned to build a new structure on it. They were proposing to hook up to a group line. In 2016 two hardship requests were denied due to connecting to group lines and not following the Code.

Proponents: Dan Danicic, Del Boca Vista, said they were trying to make use of a property that had been unused for many years. The hardship water connection was for an area that was notorious for poor water quality and quantity. The water was often brackish or salty. The hardship would mitigate these circumstances. The Council had discussed outside water connections in 2016; however, no policies had been created on this issue. He thought the application met all of the hardship criteria and one of the two eligibility criteria. They planned to construct a new home on the property, not a subdivision. It was within the boundaries of the current water district and was not being served. There was no other beneficial use for this property and without a water connection, nothing could be done with the property. Allowing the connection did not impose on the City as the City had plenty of capacity. The Water Master Plan showed a connection to this property, and he thought service was anticipated. They would pay their fair share of City SDCs and surcharge for water rates for being outside of the City limits. He asked Council to weigh all of the provisions of the hardship and asked that the hardship be granted.

Councilor McKinney asked if this land suffered any repercussions from the Bypass. Mr. Danicic said it had not. Councilor Bacon clarified if he could not connect, he would have to have water delivered to the site. Mr. Danicic said there had to be a buffer for the septic drain field and that buffer would encompass the entire lot. They could not put a well on the property. Councilor Murray asked if the applicant would pay all of the costs for the connection. Mr. Danicic said that was correct. Councilor Essin spoke about a septic system that did not use drain fields. Had Mr. Danicic looked into that option? Mr. Danicic had not. Councilor McKinney asked how long the line would have to be to connect. Mr. Danicic said it would be about 120 feet to gain access to the water district line.

Marc Willcuts, owner of Del Boca Vista, said he had been working on purchasing the property from the family whom had owned the property for a long time. They had worked with the County on the septic system, and they required a drain field site and a back-up site both on the lot that had to be 100 feet away from a well. They would be doing a state of the art drain field. He thought hardships needed to be reviewed including what could be allowed to be a hardship. If this application was not approved, this lot would remain vacant in an area with other homes. They were not creating new lots or extending any main lines. He thought the hardship should be approved.

Opponents: None      Undecided: None      Mayor Andrews closed the public hearing.

Mayor Andrews asked if there was any reason this lot needed to be developed right now. CE Hofmann was not aware of any reason.

Councilor McKinney said due to the lack of developable residential land, would this land be annexable to help fill the need for buildable land? CDD Rux said this property was outside the Urban Growth Boundary. It would not count towards the Buildable Lands Inventory. It was not in an urban reserve either. It was within the Urban Growth Boundary expansion study area. He explained the expansion process. Councilor McKinney asked if the County could develop the property. CDD Rux said that was a County decision.

Councilor Essin asked about other applications denied in the past. CE Hofmann gave a history of those applications. Based on the Code and in consultation with the City Attorney, staff did not think the application met the eligibility requirements.

City Attorney Stone reminded the Council of the policy created in 1965 that the City would no longer hook up new properties to group lines. This policy was revisited in 1978, 1988, and 1989. There had been hook ups since that time, but he was not with the City when those occurred and could not speak to those. He thought the Code should be changed if it was not meeting the purposes of the City or its citizens.

Councilor Murray asked what was at risk by supplying water to this lot. CA Stone said if they did not qualify under Code and the Council approved it, it set a precedent. The larger land use policy decision was allowing parcels outside of the City to develop as it limited the City's ability to grow. Councilor Bacon thought the water district required the property annex into the City. CA Stone said one of the provisions to grant a hardship was the consent to annex as soon as possible.

CE Hofmann said staff recommended approval of the resolution, which would deny this request.

Councilor Essin said this was a long term policy, and he was in favor of changing the Code in the future. Councilor McKinney asked how supplying water to the parcel would be detrimental to growth. CDD Rux explained how providing water to parcels outside of the Urban Growth Boundary made it more difficult to expand the UGB, accommodate urban scale, and densities of development in the Code. CA Stone clarified the two applications that had come before the City in 2016. One was an existing house whose well was drying up and the other one was to build one home on the property, however that property was designated to be R-3. They were both in the UGB and were denied.

Councilor McKinney thought they should have the reputation of taking care of their neighbors and these had been granted in the past. He would like to change the policy. He was in favor of granting the hardship. Councilor Murray agreed the policy should be changed. Councilor Bacon said this lot was surrounded by development and there was no way to get water. To be a good neighbor they had to supply water when needed.

Mayor Andrews was struggling with what was the hardship in this case. The hardships that had been approved in the past were for existing dwellings. He thought this was an inconvenience to development more than a hardship. He called on developer Dan Danicic, applicant, to explain the timeline for developing the property. He asked if there was a rush or if he could wait until the policy was amended.

Mr. Danicic said their opportunity to develop the property might go away if the hardship issue was not resolved tonight. The hardship was for the property itself and the inability to use the property. He was open to the Council continuing the discussion and making code changes if necessary. More people wanted to talk on this topic. Mayor Andrews recessed the meeting to allow signups.

The Council took a recess for five minutes.  
Mayor Andrews re-opened the public hearing.

Beverly Vermulen was the owner of the property. She had tried to get water on the property in 2004 and the City did not allow it at that time. If the hardship was granted, she could do something with the lot. It was too small for agricultural use and was land locked.

Donna Fouchet, Sunny Acres Water Company, was sorry for not following the rules to sign up to speak. The water district had been in business since 1962. She was available if they had any questions about the district. They had 52 users and bought water from the City. There was a discussion on where the district served and new developments and residences being built.

Ms. Fouchet said in 1989 existing users could hook up to their water district, but it was closed after that time and only a few hardships had been allowed since then. She had no objections to this property hooking up, and there were others who would like to connect as well.

Greg Rasako, Sunny Acres Water Company, was married to Ms. Vermulen. He thought sometimes codes didn't always serve in the best way. This parcel was surrounded by other homes that were all on Sunny Acres water and it seemed natural that it be connected as well. He did not think it would harm the City to do so.

Mayor Andrews closed the public hearing.

Councilor McKinney asked if the district exceeded the demand at this time. Public Works Director Harris said the City had the capacity at that point of service. Councilor Bacon was not comfortable with denying people water and wanted the opportunity to revisit the Code.

**MOTION: Corey/Johnson** moved to approve Resolution 2018-3459, denying the water hardship request by Del Boca Vista for Tax Lot 3324AD-00600. No vote was taken.

**AMENDMENT TO THE MOTION: Bacon/Murray** moved to table this item to June 18. Motion passed (5 Yes/2 No [Corey and Johnson]).

**NEW BUSINESS: Resolution 2018-3457, Affordable Housing policies and procedures amendment:**

CDD Rux said the Affordable Housing Trust Fund was established in 2012. Three amendments had been made to the policies and procedures since then. This amendment would allow for three additional non-voting members on the Affordable Housing Commission.

**MOTION: Bacon/Johnson** moved to approve Resolution 2018-3457, A Resolution amending Policies and Procedures for Administration of the City of Newberg's Affordable Housing Trust Fund and repealing Resolution No. 2016-3306. Motion carried (7 Yes/0 No).

Capital Improvement Plan presentation:

CE Hofmann explained how the five year Capital Improvement Plan projects were identified. The updated Wastewater Master Plan would add projects to the CIP after the Plan was adopted in June. She then discussed the 2018-2019 CIP projects that were in the budget, their status, and costs.

2014 Stormwater Master Plan annual review presentation:

CDD Rux said the Council looked at 2014 Stormwater Master Plan last fall. It covered the entire City, went to 2025, and was typically updated every 10 years. It met all of the requirements. He listed the objectives of the plan.

Resolution 2018-3460, Municipal Judge Evaluation:

Council President Bacon said the Council conducted a performance review for the Judge in Executive Session, and he received between good and excellent ratings. He had not received a raise in a while, and they recommended giving him a 4% raise. There were funds in the budget for the raise.

**MOTION: Andrews/Murray** moved to approve Resolution 2018-3460, A Resolution approving the annual evaluation of the Municipal Judge completed in March 2018 and amending the February 2012 agreement for Judicial Services for the City of Newberg (Resolution No. 2012-2989) to provide increased compensation. Motion carried (7 Yes/0 No).

**COUNCIL BUSINESS:**

**MOTION: Bacon/Essin** moved to direct staff to continue negotiating the sale of the Animal Shelter as discussed in Executive Session. Motion carried (7 Yes/0 No).

**EXECUTIVE SESSION PURSUANT TO ORS 192.660 (2) H Legal Counsel**

Start: 9:01 p.m.

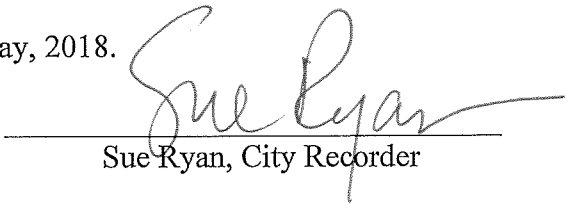
End: 10:13 p.m.

Staff present: CIS Attorney Andrew Campbell, City Manager Joe Hannan

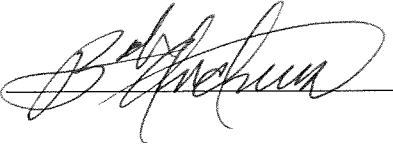
Topic: CIS Investigation

**ADJOURNMENT:** The meeting was adjourned at 10:13 p.m.

**ADOPTED** by the Newberg City Council this 7<sup>th</sup> day of May, 2018.

  
Sue Ryan, City Recorder

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

  
Bob Andrews, Mayor

