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**City of Newberg
City Council
April 6, 2020**

Meeting held electronically due to COVID-19 pandemic

WORK SESSION

Meeting called to order at 6:00 p.m.

Councilors Present: Mayor Rick Rogers, Councilors: Gene Piros, Julia Martinez Plancarte, Patrick Johnson, Denise Bacon, Stephanie Findley, and Elise Yarnell Hollamon

Staff Present: City Manager Dan Weinheimer, City Attorney Truman Stone, City Recorder Sue Ryan, Community Development Director Doug Rux, Interim Public Works Director Russ Thomas, City Engineer Kaaren Hofmann, and Finance Director Matt Zook.

PRESENTATIONS:

Tualatin Valley Fire & Rescue District Chief Deric Weiss discussed the state of the district. They were operating and responding normally through the Covid-19 pandemic, but had upgraded the Personal Protective Equipment. All non-essential personnel were working from home. The stations and community rooms and outside activities were shut down although they were still doing training. There was a Task Force that met three times per week and town halls with every station. He would continue to send out weekly updates to the City Manager.

Councilor Bacon asked if they had learned any lessons about through this crisis. Chief Weiss said one thing was they had stopped issuing pandemic gear bags and if they had not stopped they would have had the reusable suits they needed already. They had also realized they did not have to have all their meetings in person. After the surge was over, they would be looking at a new normal for everything they did.

CITY MANAGER'S REPORT:

City Manager Weinheimer reported on his activities including the Covid-19 pandemic. The City had closed their doors for safety, but was still been open for business. They were trying to increase access and ways to serve the community. About half of staff was working from home and essential personnel were still providing service including police, public works, dispatch, and IT department. He was able to execute an RFP on April 1 for an executive recruiter for the open director level positions. Russ Thomas would be the interim director for Public Works He was working on the draft budget, action plans for community visioning

and Council Goals. He reminded everyone to do what they could to stop the spread of the virus.

STREET LIGHTS PRESENTATION: Interim Public Works Director Thomas said the City was working with PGE on aging lights. There were three options:

a) PGE owning and maintaining the lights and poles and the City paying them a monthly fee for all costs,

b) the City owning the lights, PGE maintaining the poles and lights and the City paying the energy costs and routine maintenance,

c) the City owning and maintaining the poles and lights and only paying PGE the energy costs.

Currently there was a mix of City owned and PGE owned lights. Starting in July 2020, they were going to all LED roadway lights that were dark sky compliant. The project would be completed in 24 months.

It would be a significant cost savings to the City and he explained the budget savings once the conversion was complete. He also discussed the impacts in energy efficiency, safety/consistency, and livability.

Mayor Rogers asked for staff to quantify the energy savings of this program.

Council Committee Reports:

Councilor Johnson reported on the Mid Willamette Valley Committee on Transportation who discussed projects and funding, possibly including the Bypass.

Councilor Findley met with Yamhill County Commissioner Kulla regarding affordable high speed internet for rural areas.

Councilor Yarnell Hollamon reported on an Affordable Housing meeting where projects had been discussed which were now on hold. There were ways people were currently helping the houseless.

BUSINESS SESSION:

Councilors Present: Mayor Rick Rogers, Councilors: Gene Piros, Julia Martinez Plancarte, Patrick Johnson, Denise Bacon, Stephanie Findley, and Elise Yarnell Hollamon

Staff Present: City Manager Dan Weinheimer, City Attorney Truman Stone, City Recorder Sue Ryan, Community Development Director Doug Rux, Interim Public Works Director Russ Thomas, City Engineer Kaaren Hofmann, and Finance Director Matt Zook.

Meeting called to order at 7:02 p.m.

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COUNCIL APPOINTMENTS:

Action: Approved appointment of Rob Hallyburton to the Ad Hoc Economic Opportunities Analysis Citizens Advisory Committee for a term of January 2020 to December 2020.

Motion: Councilor Johnson
Second: Councilor Bacon
Vote: 7 Yes, 0 No

PUBLIC COMMENTS & ISSUE TRACKER:

Issue Tracker - City Manager Weinheimer said most of the issue tracker items had been scheduled for future discussion or resolved. He then reviewed the future items.

CONSENT CALENDAR:

1. a) Resolution 2020-3649, A Resolution to authorize the City Manager to enter into a construction contract with Doolittle Construction, LLC for the 2020 Pavement Maintenance Project in the amount of \$131,905.28.
- b) Resolution 2020-3663, A Resolution to extend a declaration of a local state of emergency as a result of the COVID-19 pandemic through May 13, 2020.

Action: Approved consent calendar items as presented.
Motion: Councilor Johnson
Second: Councilor Findley
Vote: 7 Yes, 0 No.

PUBLIC HEARINGS:

1. Ordinance 2020-2861, CPI change to code

Mayor Rogers opened the public hearing and called for abstentions, conflicts of interest, or ex-parte contacts. There were none.

Finance Director Zook gave the staff report. He said the Bureau of Labor Statistics discontinued the Portland-Salem, OR-WA CPI in 2017. To replace that CPI, he recommended using the CPI-U West Region as the new City-wide index.

Proponents: None
Opponents: None
Undecided: None

Mayor Rogers closed the public hearing.

Action: Waive the second reading of Ordinance 2020-2861.

Motion: Councilor Bacon
Second: Councilor Johnson
Vote: 7 Yes, 0 No.

Action: Approve Ordinance 2020-2861, An Ordinance amending the Newberg Municipal Code to replace a discontinued Consumer Price Index (CPI) with a current CPI as pertains to rate increases eligible for the state referendum process to be read by title only.

Motion: Councilor Bacon
Second: Councilor Johnson
Vote: 7 Yes, 0 No.

2. Rates hearings

Mayor Rogers opened the public hearing and called for abstentions, conflicts of interest, or ex-parte contacts. There were none.

Finance Director Zook and Consultant Deb Galardi gave the staff report. The Citizens Rate Review Committee met to review the rates. Ms. Galardi said the three step rate setting process included the financial plan, cost of service analysis, and rate design. The financial plan development included sources of funds, operating expenses, capital financing, and other requirements such as fund transfers and future capital reserves. There is a five year Capital Improvement Plan for water, wastewater, storm, and street preservation as well as the near term investment priorities to address reliability, safety, efficiencies, capacity, and performance. She then discussed rate review drivers and Covid-19 industry outlook.

The Committee recommended: moderate annual adjustments to minimize rate spikes, 30-40% annual revenue from fixed charges, and having both operating contingency and capital/emergency reserves. Recommended annual revenue increases were: potable water 4% for both 2021 and 2022, non-potable water 10% in 2021 and 2% in 2022, wastewater 3.5% for both years, stormwater 9% for both years, and Transportation Utility Fee 2% for both years. Other recommendations: Increasing the fixed charge cost recovery for water to 32% from 30%, maintaining the fixed charge cost recovery for wastewater at 35%, adequate cash reserves. This included 60 operating days of cash reserves, and for capital reserves rehabilitation and replacement at 1-2% asset value and a target of 5% sales revenue. The combined bill impacts for a single family customer was an increase of \$6.30 in 2021 (4.6%), and an increase of \$5.99 in 2022 (4.2%). Newberg's rate increases had been just above inflation and significantly less in the last few cycles than what they were seeing nationally.

Proponents: None

Opponents: Five – City Recorder Sue Ryan read out loud the written comments that had been submitted in opposition to the rate increases.

Undecided: One – City Recorder Ryan read out loud the written inquiry that had been submitted.

FD Zook said some of the opposition reflected the gap in time from the Citizens Rate Review Committee's last meeting where they made these recommendations and the Covid-19

pandemic. Staff had an obligation to present the recommendations as Committee had made them. He asked consideration of the testimony, the presentation, and the work of the Committee.

Discussion:

The Council discussed:

- Impact of water redundant supply project on rates.
- COVID-19 impact
- Committee process
- Impact on budget if rates were delayed.
- Flat rates would equal \$250,000 in water rates, \$300,000 in wastewater rates, \$165,000 in stormwater rates, and \$25,000 in TUF.

Mayor Rogers closed the public hearing.

Deliberation:

The Council discussed postponing the decision until there was a better idea of the future, the public comments, and the economic situation.

Action:	Move to table the rate resolutions until the September 21 Council meeting and re-open the public testimony at that time.
Motion:	Councilor Bacon
Second:	Councilor Piros
Vote:	7 Yes, 0 No.

NEW BUSINESS:

1. Resolution 2020-3648 MWVCOG IGA

Community Development Director Rux said this was an Intergovernmental Agreement for the Mid Willamette Valley Council of Governments to provide planning services for the City of Dundee until the end of June 2020. This would cost \$8,000 to \$10,000.

Action:	Approve Resolution 2020-3648, A Resolution approving an Intergovernmental Agreement with the Mid-Willamette Valley Council of Governments for land use planning services.
Motion:	Councilor Johnson
Second:	Councilor Piros
Vote:	7 Yes, 0 No.

2. Resolution 2020-3659, Emergency Relief Grants

CM Weinheimer said this resolution creates a Business Emergency Relief Grant program to help with Covid-19 impacts. The program would focus on rent and mortgage payments. The awards would be a maximum of \$2,500 for about 40 businesses in the community. These would be for local businesses with 15 or fewer employees. There was also a Support Local program where residents who spent money locally would receive a rebate on their utility

bills, there were Transportation Utility Fee waivers for businesses that had closed entirely, and residential hardship programs for utilities.

The Council discussed:

- Advertising the program
- Origins of \$100,000.
- Deadlines

CR Ryan read the public comment from Shannon Buckmaster, Chamber of Commerce, who was in support of the program.

Action: Approve Resolution 2020-3659, A Resolution ratifying the expenditure of \$100,000 to create Business Emergency Relief Grants.

Motion: Councilor Bacon
Second: Councilor Johnson
Vote: 7 Yes, 0 No

Council Business:

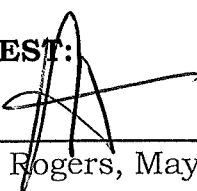
Election requirements – NMC 2.05.030

CR Ryan discussed how she would like to amend the code and bring back changes to the nomination procedures section at the April 20 meeting. Because of Covid-19 and the stay at home order, she suggested allowing people to pay a fee instead of collecting signatures for putting their names on the ballot. Signatures were due no later than August 25. She planned to open up the process after Memorial Day weekend and it took a month for a code change to go into effect.

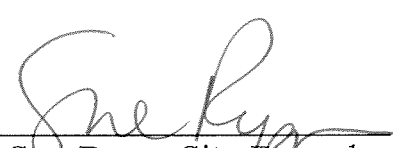
There was consensus for staff to bring this back on April 20.

Meeting adjourned at 8:36 p.m.

ATTEST:



Rick Rogers, Mayor



Sue Ryan, City Recorder