

**CITY COUNCIL MEETING
McMinnville, Oregon**

AGENDA

**McMINNVILLE CIVIC HALL
200 NE SECOND STREET**

**November 8, 2016
6:00 p.m. – Informal Dinner Meeting
7:00 p.m. – Regular Council Meeting**

Welcome! All persons addressing the Council will please use the table at the front of the Board Room. All testimony is electronically recorded. Public participation is encouraged. If you desire to speak on any agenda item, please raise your hand to be recognized after the Mayor calls the item. If you wish to address Council on any item not on the agenda, you may respond as the Mayor calls for "Invitation to Citizens for Public Comment."

NOTE: The Dinner Meeting will be held at the McMinnville Civic Hall and will begin at 6:00 p.m. The Agenda for the evening will be reviewed during the Dinner Meeting. Staff will be present to answer questions.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVITATION TO CITIZENS FOR PUBLIC COMMENT – *The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than:*

- 1) a topic already on the agenda;*
- 2) a matter in litigation,*
- 3) a quasi judicial land use matter; or,*
- 4) a matter scheduled for public hearing at some future date.*

The Mayor may limit the duration of these comments.

1. CONSENT AGENDA
 - a. Consider the Minutes of the July 26, 2016, September 27, 2016 and October 25, 2016 Dinner and Regular Meetings.
 - b. Consider the re-adoption of the Minutes of the October 11, 2016 Dinner and Regular Meeting.
 - c. **Resolution No. 2016-80:** A Resolution authorizing the City Attorney to enter into and manage a Personal Services Contract for on-call legal support services with Beery, Elsner and Hammond, LLP.
2. PRESENTATION
 - a. Update on Visit McMinnville from Executive Director Jeff Knapp.
 - b. General Fund 1st Quarter Budget Review

3. ORDINANCES

- a. **Ordinance No. 5012:** An Ordinance amending Section 3.10.060, Systems Development Charges, Exemptions, of the McMinnville Municipal Code to expand affordable housing exemptions. (Second Reading)
- b. **Ordinance No. 5013:** An Ordinance amending Chapter 17.62 of the McMinnville Zoning Ordinance to add provisions related to the amortization process for nonconforming signs and to remove content-based sign regulations.
- c. **Ordinance No. 5014:** Amending Chapter 17.64.040(A)(6) (Marijuana Related Activities - Performance Standards) of the McMinnville Zoning Ordinance to add a reference to the OAR definition of "school", and to delete the reference to "state licensed preschool".

4. RESOLUTIONS

- a. **Resolution No. 2016-81:** A Resolution establishing reduced permit fees (building and planning) for affordable housing projects.
- b. **Resolution No. 2016-82:** A Resolution adopting a Supplemental Budget for fiscal year 2016-2017 and making supplemental appropriations for the City of McMinnville loan to McMinnville Urban Renewal Agency.

5. ADVICE / INFORMATION ITEMS

- a. Reports from Councilors on Committee and Board Assignments
- b. Department Head Reports

6. ADJOURNMENT



City Council- Regular

Meeting Date: 11/08/2016

Subject: Minutes of the July 26, 2016,
September 27, 2016 and October
25, 2016 Dinner and Regular
Meetings.

From: Melissa Grace, City Recorder / Legal
Assistant

AGENDA ITEM:

Consider the Minutes of the July 26, 2016, September 27, 2016 and October 25, 2016 Dinner and Regular Meetings.

BACKGROUND:

Attachments

July 26, 2016

September 27, 2016

October 25, 2016

CITY OF McMinnville
MINUTES OF DINNER MEETING of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, July 26, 2016, at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present
Remy Drabkin Kellie Menke
Scott Hill Alan Ruden
Kevin Jeffries Larry Yoder

Also present were City Manager Martha Meeker, City Attorney David Koch, Police Chief Matt Scales, Interim Planning Director Ron Pomeroy, Parks and Recreation Director Jay Pearson, Kids on the Block Manager Janet Adams, Police Captain Dennis Marks, Code Enforcement Officer Pam Ramsey, Finance Director Marcia Baragary, and a member of the news media, Tom Henderson of the *News Register*.

CALL TO ORDER: Mayor Olson called the Dinner Meeting to order at 6:25 p.m. and welcomed all in attendance.

NUISANCE PROPERTIES: City Attorney Koch and Police Chief Scales spoke to the Council about issues surrounding nuisance homes. Police Chief Scales introduced Captain Dennis Marks and Code Enforcement Officer Pam Ramsey. He noted that they would be able to offer insight to the problem also.

City Attorney Koch referenced the read-ahead materials in the Council's informational packets and pointed out he had outlined the City's current *Code* regarding nuisance properties and advised that items associated with the nuisance properties (nuisance, criminal activity, and violations) have been addressed in the City's current Chronic Nuisance Ordinance.

Police Chief Scales outlined the abatement process Code Enforcement Officer Ramsey uses after complaints are received about a problem home. He noted that she first visits the property and attempts to make contact with the person occupying or owning the property. Most people comply with her directives; however, if they do not, a letter is sent. If there is no resolution of the noted problem, she can cite the individual(s) into Municipal Court for violation of a City ordinance. If there continues to be no abatement of the problem, the City can hire someone to clean up the problem (i.e., mow the grass, haul the garbage to the dump, etc.) and place a lien on the property.

Mayor Olson asked about junk vehicles. City Attorney Koch responded that issues surrounding junk vehicles are addressed in Chapter 8.28 of the City's *Code*.

Chief Scales walked the City Council members through the complaint process associated with weeds, junk, unoccupied - attractive nuisance houses. He noted that, again, Ms. Ramsey attempts to work with the homeowner, posts the property, and asks the owner to bring the property into compliance. If that

does not occur, a citation is used and abatement of the problem is contracted out. He pointed out that in most cases, the abatement process is very successful in bringing nuisance properties into compliance. However, if the homeowner does not bring the property into compliance, the Chronic Nuisance Ordinance (Ordinance No. 4984) can come into play and if three criminal complaints are received within a 30 day period, resulting with at least one arrest, then the Police Chief can determine that the property may be a chronic nuisance property. If the nuisance is not abated within 30 days of the notice, and good cause for failure to abate is not shown, the Council, or its designee, may order abatement or close of the property with appropriate conditions. The Council, or its designee, may also employ any other remedy deemed by it to be appropriate to abate the nuisance, including but not limited to authorizing a civil complaint in a court of competent jurisdiction. Following that action, the property owner may be required to pay to the City a civil penalty of two hundred fifty dollars (\$250) per day for each day the owner fails to take action and five hundred dollars (\$500) per incident for subsequent incidents, as defined by the ordinance, occurring on the property within six months of the order.

City Attorney Koch further explained the process. He advised if the Police Chief determined that the owner has failed to abate the chronic nuisance or has failed to show good cause as to why he cannot do so, the Police Chief may refer the matter to the Council or a hearings officer. If the Council or hearings officer determines that the property is a chronic nuisance, and the owner has not demonstrated a valid defense, the Council or hearings officer may order that the nuisance be abated or close and secure the property against all use and occupancy for a period of not less than ten days and not more than six months. Although that action has been threatened, it has never occurred.

Responding to Mayor Olson, City Attorney Koch agreed that the process could conceivably take six to eight months to conclude.

Discussion followed regarding several properties in McMinnville. Police Chief Scales emphasized the need to inform the Police Department of problem or potentially problem properties so they do not become part of the "broken window theory." Mayor Olson suggested that Code Enforcement Officer Ramsey put together a quarterly report on this matter and send it to the Council.

ADJOURNMENT: Mayor Olson adjourned the Dinner Meeting at 6:57 p.m.

Rose A. Lorenzen, Recording Secretary

CITY OF McMinnville
MINUTES OF REGULAR MEETING of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, July 26, 2016, at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present
Remy Drabkin Kellie Menke
Scott Hill Alan Ruden
Kevin Jeffries Larry Yoder

Also present were City Manager Martha Meeker, City Attorney David Koch, Police Chief Matt Scales, Interim Planning Director Ron Pomeroy, Parks and Recreation Director Jay Pearson, Kids on the Block Manager Janet Adams, Police Captain Dennis Marks, Code Enforcement Officer Pam Ramsey, Finance Director Marcia Baragary, and members of the news media, Tom Henderson of the *News Register*.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the Regular Meeting to order at 7:05 p.m.

PLEDGE OF ALLEGIANCE: Councilor Hill led in the recitation of the Pledge of Allegiance.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Richard Andersen, 960 SW Edmunston Street, spoke to the Mayor and City Council about an unusual street vacation request. He advised that the Cozine subdivision he lives in was platted in 1888 and when it was platted, all streets were 60 feet in width except for the street on the northern boundary, which was platted at 30 feet. The adjacent subdivision also platted 30 feet to make the roadway 60 feet in width. There was however, a 33-foot roadway on the western boundary of the subdivision that was never widened. He stated that he understood the normal street vacation process and he has completed an application that all adjacent property owners have signed, except for two property owners from the subdivision to the west of him. These two property owners have refused to sign. He stated that the road will not be developed and is due for vacation; however, because the two property owners have refused to sign, he cannot move forward. He stated that the application process includes an alternative procedure that calls for the City's governing body to initiate vacation proceedings. He asked the City Council to move forward with the vacation process.

Councilor Jeffries advised that Mr. Anderson is his uncle.

City Attorney Koch walked the City Council through the legal proceedings associated with a City-initiated street vacation.

Following extensive discussion, Mayor Olson advised that by consensus the Council directed staff to provide the City Council with more information so the Council could determine its ability to move forward. Mayor Olson thanked Mr. Anderson for bringing the situation to their attention.

Jack Reed, 1610 SE Queensborough, spoke to the Council and advised that the owner of the house on Queensborough Court that has been the subject of neighborhood concern was arrested and jailed over the weekend. He pointed out that the water was shut off to the house on July 21st. In addition to no water and no electricity, there is also no garbage service. He advised he would like to take the Council members through the house the next morning; there is black mold all over the floors and walls with garbage everywhere. He asked whether the City had the resources to board up the house so the owner could not return once she is released from jail.

Police Chief Scales provided Mr. Reed and the neighbors who were present with the steps the Police Department is required to take, including posting the property, and if necessary, fining the property owner. If that does not bring the owner into compliance, then the City would contract abatement of the nuisance and place a lien on the property.

City Attorney Koch explained a chronic nuisance property can be property that is designated either residential or commercial and is a significant call driver because of criminal activity. He discussed the various sanctions that could be used against the property; however, the City has never boarded up a property.

Mayor Olson commended the neighbors and their investment in their neighborhood. He pointed out that if it were not for the neighbors, the Council might not have known of the problem.

Shannon Brooks, 1549 SE Morgan Lane, thanked the Council and City staff for their work on the Thompson Park property. She thanked all for listening, and also thanked Parks Maintenance Supervisor Lannette Noble for her staff's work at the Park and also specifically thanked Police Officer Vaughan for his work on the matter.

Gary Farmer, 14425 NW Berry Creek Road, spoke about the Farmer's Market located on Cows Street between 2nd and 3rd Streets. He complained that parking is being restricted beginning at 9:30 a.m. on Market Day and continues through the end of the day. He pointed out that the market does not begin until 1:00 p.m. and the posted street closure is from 11:00 a.m. on.

Mayor Olson thanked Mr. Farmer and stated that the City will look into the matter.

1

CONSENT AGENDA: Councilor Ruden asked for more information regarding Resolution No. 2016-50 approving the acquisition of property from Oregon Mutual Insurance, Kathleen Stocks, Yamhill County, and Raman, Inc. for the 5th Street transportation project. Mayor Olson asked that the resolution be removed from the Consent Agenda so that it could be considered during the period on the agenda reserved for resolutions. Councilor Menke MOVED to approve the following Consent Agenda items:

- Minutes of the April 26, 2016 Dinner and Regular City Council Meetings;
- Request by Coleman Tasting Room - Wine Bar for a new liquor license at 801 SW Baker Street;
- **Resolution No. 2016-51** - a Resolution awarding the contract for the McMinnville Municipal Airport Sanitary Sewer Extension Project, Project 2016-10;
- **Resolution No. 2016 - 52** - providing for and approving an agreement between the City of McMinnville and Benton County for Vehicle and Equipment Repair;
- **Resolution No. 2016 - 53** approving entering into a contract with the SilverStone Group;
- **Resolution No. 2016-54** approving entering into a contract with Arbitrage Compliance Specialists, Inc.;
- **Resolution No. 2016-55** approving entering into a contract with Smith-Wager Brucker Consulting, LLC; and
- **Resolution No. 2016-56** approving entering into a lease agreement with Ricoh USA, Inc. for a printer/copier.

Motion was SECONDED by Councilor Drabkin and APPROVED unanimously.

2

PUBLIC HEARING

2 a

7:00 P.M. PUBLIC HEARING REGARDING AN APPEAL OF A 20-LOT RESIDENTIAL SUBDIVISION: Mayor Olson advised that the subject of the public hearing was an appeal of a land use decision made by the Planning Commission at its April 21, 2016 Planning Commission meeting. He advised that the public hearing would be quasi-judicial in nature and would adhere to the laws governing quasi-judicial land use hearings.

Mayor Olson asked for abstentions. None were heard. He asked for objections to jurisdiction. Again, none were heard. He asked if any of the City Council members had

visited the site. Councilor Menke advised that she had visited the site and found it to be a field.

Mayor Olson opened the public hearing at 8:02 p.m. and requested a staff report.

Interim Planning Director Pomeroy advised that Ann Thompson was appealing the Planning Commission's decision regarding a 20-lot subdivision located at 2946 SW Redmond Hill Road. Mr. Pomeroy entered the entire proceedings of the Planning Commission public hearing into the record and advised that Ms. Thompson had provided staff with a document from SR Designs which he entered into the record. He advised that the applicant has several issues she is appealing including drainage, pedestrian improvements, and since she is proposing a marijuana grow in Yamhill County, but adjacent to the subdivision, she is requesting that there be a restriction associated with the use of pesticides; transfer of street jurisdiction from Yamhill County to the City; a wall along the edge of the subdivision be constructed, and that the tentative subdivision plan to amended to move one of the streets; and to increase the buffer between the proposed marijuana farm and future subdivision property owners. He explained that the City Council could either approve the appeal or deny it.

Responding to an inquiry posed by Councilor Jeffries, Mr. Pomeroy advised that the appellant is adjacent to the east side of the proposed subdivision. Mr. Bisset explained that the report from SR Design provided by the Thompson's is about water on the Thompson property and how it gets there. Staff just received this report and neither the Planning Commission nor staff had access to the report when the Planning Commission made its decision.

Mayor Olson pointed out that the Council had just received the report from SR Designs and there was a great deal of information to be digested. He advised that the Council had not had enough time to review the document and wondered if the report could be summarized enough for the Council to determine its meaning. City Attorney Koch advised the Mayor and Council that they did not have to make a decision at this meeting, even if they closed the public hearing. It was possible to leave the record open for seven days to rebut the report and then the Council could come back and make a decision. Councilor Menke observed that the report appeared similar in nature to other information already in the information they had received. Mr. Bisset agreed and

pointed to the Conditions for Approval, specifically numbers 27 - 31.

Mayor Olson asked for public testimony in favor of the subdivision as approved by the Planning Commission.

Denny Elmer and Hans Hendgen came before the Council and stated that they were the subdivision applicants. Mr. Elmer advised that they had agreed to comply with all of the conditions set forth by the Planning Commission. He stated that he believed Mr. and Mrs. Thompson's concerns do not originate from his property and that he and his partner had completed all of the engineering necessary to meet the City's requirements.

Mark Davis, 652 SE Washington Street, advised that he had no opinion on the subdivision; however, he wanted to preserve his right to ask questions later in the public hearing. Mayor Olson advised that his right was duly preserved.

Adam Garvin, 2940 NE Lafayette Avenue, advised the City Council that he was in favor of the subdivision. He pointed out that the City had built a park in the area because it was planned for higher utilization. He further noted that the Oregon Liquor Control Commission (OLCC) and the Oregon Health Authority have finalized rules that place the burden on the OLCC applicant and it was unfair to put the burden on the developer. He explained that it was the same for the use of pesticides. He gave an example of a local organic dairy farmer who did not request that their neighbors not use pesticides near the organic dairy. He requested that the City Council make sure they separate marijuana law from land use law.

Mayor Olson asked for testimony from those in support of the appeal.

Roy Thompson and Ann Thompson came forward. Mr. Thompson advised that he was Mrs. Thompson's attorney and that she is the land owner. He argued that Mrs. Thompson's property was located outside the City's urban growth boundary; however, the City's boundary had slowly moved until it was to adjacent her property. He spoke about the wall that had been requested. He noted that rules related to growing marijuana were in a state of flux and had changed during this appeal process. The law was not as critical as it had been and the eight-foot law was not as necessary as it had been, although it remained a part of the appeal.

Mr. Thompson stated the main concern is storm water runoff from the development that will run across Redmond Hill Road. There is a drainage ditch that has been in place since they purchased the property in the mid-1990s. Development of adjacent properties tends to direct runoff from the subject property to their property. He referenced the engineering report from SR Designs and stated that it has found there is a 35 percent greater volume of water running across that development than when projected eight years ago and more homes continue to be built within the subdivision. When that development application came to the City, it gave tremendous detail as to the amount of water (gallons per minute) that would be generated from runoff. He advised that Redmond Hill Road used to be a graveled road and the property used to have grass and trees that absorbed the water. Now water flows across it at a tremendous rate. There has been significant damage to Mrs. Thompson's road access and there has been significant flooding. He acknowledged that the subdivision application proposes some stormwater runoff; however, four of the lots will not have water detained. The runoff will go directly into the drainage ditch along Redmond Hill Road. Mr. Pomeroy indicated that Conditions of Approval numbers 27 - 31 would deal with the runoff. However, it seemed to him that a larger development would have more runoff than historically delivered. He advised that Mrs. Thompson has had significant water damage from earlier developments and if the subdivision is approved, she will have more damage. He noted that there have been discussions with Mr. Elmer although, sometimes, reasonable minds do not agree. He stated that the current ditch was adequate for the drainage if one looked at the historic load prior to 2006; however, after 2006, and the area across the road was built out, projections were exceeded by the water flow. This amount of water cannot be accommodated by what is there. This subdivision would add additional water. Mrs. Thompson is concerned because of the net effect of having too much water going through - water expands beyond the existing ditch and will become a permanent annual stream and will leach dirt from the ditch and could provide a wetlands situation that she would have to contain. He reminded the City Council that Mrs. Thompson was attempting to grow marijuana and had gotten a projection from McMinnville Water and Light to put electricity along the boundary and unnamed ditch. Because there will be buildings along that area, her property could potentially be subject to flooding because of potential, significant water overflow from the ditch. Their access road has been flooded and nearly

completely destroyed. He referenced pictures showing water flowing across Redmond Hill Road to their access road. He asked the Council to consider what would happen if additional water is added to the stream.

Councilor Ruden thanked Mr. Thompson for his testimony. He observed that the topographical maps show that Mrs. Thompson's property is substantially lower than the property to the west by about 20 feet. The subject property is approximately 200 feet in elevation and Mrs. Thompson's property is approximately 180 feet in elevation. He suggested that the area might be a natural wetlands. Mr. Thompson disagreed and stated he believed there was only a seasonal stream and that there was no standing water, other than that which was in the ditch. Councilor Ruden continued that Mrs. Thompson's property is a natural collector because of its lower elevation. The property above the subject property has a tendency to collect water and divert it. Mr. Thompson agreed that he did not know where it would collect. Councilor Ruden stated that after development of the subject property, the water could be advantageous to the Thompsons.

Mr. Thompson countered that the farm has water rights and that prior to the developments, it was more than adequate. It was not an advantage to have additional water since the previous amount of water was adequate to service the property's agricultural needs.

Mrs. Thompson testified that the water from the proposed development would concentrate into a retention pond and then be released. It does not help them that this water will no longer percolate into the ground. There will be additional water because of the development.

Councilor Jeffries stated that it was difficult for him to understand how developed property would have more ground water than a paved and shingled and ditched subdivision.

Mr. Thompson approached the map depicting the area in question. He pointed out Mrs. Thompson's property and stated that, as an example, the property across the street has a retention pond located in the SE corner of the property. It retains water from above it; however, it does add to the stream because it is not adequate. The water in the detention pond goes over the road and at the point where it crosses is the seasonal stream. Even though there are culverts, the water cannot be accommodated.

City Attorney Koch advised the City Council that those issues are not relevant to this subdivision request. Additionally, the City recently received a tort claim notice from the Thompsons regarding this issue. He asked the Council to not discuss this matter.

Mrs. Thompson advised that the water does not percolate down to the aquifer. There are wells in the area and she does not know how water quality will be affected because of the runoff.

Councilor Menke asked how long the marijuana farming venture had been in operation. Mr. Thompson advised that it has been in operation since approximately November 2015. Councilor Menke observed that this use is fairly recent and the property owner is more responsible than anyone for the crop.

Mr. Thompson stated that he could not disagree with that observation; however, it was equally interesting what happens when growth and development comes to the farm. When a city expands to its urban growth boundary, he wondered what was impacted - whether farming affected city or residential function or whether the city affected the farming operation.

Councilor Menke stated that since the laws associated with marijuana are fairly new, she was not sure that the crop (marijuana, corn, or other agricultural product) was relevant as much as the farming activity itself.

Councilor Drabkin stated she felt it was relevant because some aspects of the appeal are only relevant to the crop; and unless Mr. Thompson is only focusing on drainage, then the crop itself is included in the appeal.

Mr. Thompson agreed that the crop was relevant; however, it could be any number of agricultural uses that could be adversely affected. Marijuana laws put additional constraints on the owner of the crop that are not part of any other agricultural product.

Councilor Menke pointed out that they were talking about a highly regulated crop, marijuana, and that farmers who grow other crops mitigate the effects related to the regulation of water. It is standard practice.

Councilor Ruden asked what crop was plowed under on this agriculture land to start the marijuana operation. Mr.

Thompson responded that two different varieties of Echinacea had previously been grown over the majority of the property.

Councilor Yoder advised Mr. Thompson that he was struggling to understand the appeal since the majority problem in the past has not originated from this subdivision. If the Planning Commission did its homework, the retention and storm sewer will adequately manage the water coming from this subdivision. Councilor Yoder failed to see the impact on Mr. and Mrs. Thompson's property.

Mayor Olson asked Community Development Director Bisset and Interim Planning Director Pomeroy whether staff believed Conditions of Approval Nos. 29 - 31 adequately took care of the water. Community Development Director Bisset advised that Conditions of Approval 29 and 30 are very specific relative to keeping the water leaving the development the same as what is leaving now. The entire site is calculated and that amount of water is what is being retained. He further explained that much like any proposal, the engineering review is completed and if the proposal does not seem to meet the conditions, it is sent back for more work. These conditions for approval must be met.

Mrs. Thompson asked whether the subdivision would be approved before the engineer's report is approved.

Mr. Bisset explained that a detailed engineering and storm drainage plan must be approved by City staff. The sanitary sewer, street plans, etc., are not completed by the time the Planning Commission approves the request. Once the Planning Commission has approved the request, then the infrastructure must be completed prior to the City accepting plans by the developer. He further stated that the City has received submittals from the developer; however, because of the appeal process, staff cannot approve until it is completed. The appeal has prolonged the approvals.

Mayor Olson stated that it was his observation that the proposed development was inside the City of McMinnville's boundaries and inside the City's Urban Growth Boundary. Mr. and Mrs. Thompson's property is outside the City's Urban Growth Boundary. Mayor Olson's observation was confirmed. He then observed that the properties were located in an urbanized area and that the subdivision is located within the city limits of McMinnville.

Councilor Drabkin pointed out that in the staff report, staff notes there are issues associated with capacity in the existing drainage so they addressed the concerns through the conditions for approval. From what she heard from Mr. Thompson, she believed the storm drainage is the main concern because of its potential impact. Mr. Thompson agreed with her assessment. Councilor Drabkin continued and pointed out that in advance of the appeal, staff recognized the existing issue and its need to be mitigated, thus the conditions for approval.

Mayor Olson asked whether there were any questions of the opponent.

Mark Davis, 652 SE Washington, asked whether the property was included in the City's Urban Growth Boundary (UGB). Mr. Thompson stated that at one time it was added to the City's UGB; however when the Land Use Board of Appeals remanded the land use matter back to the City, the property was removed.

Mayor Olson asked for public agency Comments. Mr. Pomeroy advised that no public agency comments had been received since the subdivision application went before the Planning Commission.

Mayor Olson asked for rebuttal. Mr. Elmer advised that he felt very frustrated and did not understand the Thompson's appeal of their subdivision request. He stated that Mr. Thompson's concerns were related to the property across the street, rather than his property. He stated that he and the Thompsons met on many different occasions and the financial costs to him are continuing to escalate. He assured the City Council that he would meet the conditions of approval. He also pointed out that Mr. Thompson's engineer suggested that the ditch should be cleaned, something that has never occurred. Mr. Elmer advised that he had offered to clean the ditch and he had obtained two bids, each for \$25,000; however, Mr. Thompson wanted him to pay \$125,000 for the appeal to be dropped. He stated that he was doing everything that he could, but water has run across Mr. Thompson's property and it will continue to do so. He noted that the fence was also a frustration. The Thompson's had asked for a visual impairment; however the Thompson's built a split rail fence for \$10,000 and wanted to be paid for one-half of the cost associated with the fence building. He asked for approval of his subdivision.

Mayor Olson asked the Council whether they wished to leave the public hearing open or close it.

Councilor Jeffries MOVED to close the public hearing; SECONDED by Councilor Menke. Motion PASSED unanimously.

Following a brief discussion, Councilor Ruden MOVED based upon the testimony received and applicable findings of fact to deny the appeal and uphold the Planning Commission's decision; SECONDED by Councilor Menke. Motion PASSED unanimously.

RESOLUTION no. 2016-50: APPROVING THE ACQUISITION OF PROPERTY FROM OREGON MUTUAL INSURANCE, KATHLEEN STOCKS, YAMHILL COUNTY, AND RAMAN, INC. FOR THE 5TH STREET TRANSPORTATION BOND PROJECT: Councilor Ruden advised that he wanted to have this resolution removed from the Consent Agenda because he wanted clarification. He noted that many parties were involved, each with separate properties.

Community Development Director Bisset reminded the Council that at its February 23, 2016 meeting, the City Council adopted Resolution No. 2016-10, authorizing the acquisition of property for the 5th Street transportation bond project. He explained that the City's consultant, HDR Engineering, had completed the appraisal and negotiations related to the acquisition of the property from Oregon Mutual Insurance, Kathleen Stocks, Yamhill County, and Raman, Inc. He noted that, in total, there are nine separate parcels, either right of ways or easements, associated with this project. After approval of this resolution, six of the nine parcels will have been acquired.

Following a brief discussion regarding the Raman, Inc. property, Councilor Drabkin MOVED to adopt Resolution No. 2016-50 approving the acquisition of property from Oregon Mutual Insurance, Kathleen Stocks, Yamhill County, and Raman, Inc. for the 5th Street transportation bond project; SECONDED by Councilor Hill. Motion PASSED unanimously.

Recess / Reconvene: Mayor Olson called for a brief recess at 9:22 p.m. He reconvened the meeting at 9:29 p.m.

3

NEW BUSINESS

3 a

PRESENTATION BY PARKS AND RECREATION ON THE KIDS ON THE BLOCK PROGRAM: Mayor Olson welcomed Parks and Recreation Director Pearson and Kids on the Block Manager Adams.

Parks and Recreation Director Pearson and Kids on the Block Manager Adams spoke to the City Council about the formation and history of the Kids on the Block Program (KOB) and the Mayor's Charity Ball. He stated that in the spring of 1989, the City Council and the McMinnville School District met to discuss issues of common concern. One issue was that many children were unsupervised after school hours. The question was whether there was something that the City and the School District could provide that would be a safe area and supervision for the children. From that strong commitment and collaboration, the KOB program grew.

Mr. Pearson recalled that in 1990 community leader Dale Tomlinson helped establish KOB, Inc, a non-profit organization of business and community leaders who were committed to supporting additional enrichment opportunities for children through the KOB program. KOB, Inc. began funding a part-time program position to recruit and coordinate volunteer activity leaders to provide expanded enrichment program opportunities.

Mr. Pearson related that KOB is a signature program of the City, the Parks and Recreation Department, and the School District. He pointed, with pride, to the various organizations, including Linfield College that assisted either directly or indirectly through the Mayor's Charity Ball. The Ball was started in 1990 by then Mayor, Ed Gormley. It has been a flagship for KOB ever since. The Ball has been a financial mainstay for sustainability and also speaks to the value of the community's dedication of putting its children first. The majority of the Ball's proceeds have been turned over to KOB, Inc., which was tasked with the responsibility of stewarding the funds and directing needed funds back to the City for the KOB program.

Dale Tomlinson, 819 NW Meadowood Circle, spoke about the program in its infancy and of his concern that the citizens of McMinnville had turned down requests to expand the School District's tax base. He stated that because he wanted to bring citizens into closer harmony with the School District, he made a proposal to launch the KOB, Inc. organization. The young program began with 200 children involved, too many to let the program fail. The School District, City, and community came together to form a cooperative effort to ensure the program's success.

Dan Preston, 2419 NW Anthony Court, spoke of the many partnerships within the program. He noted that Linfield

has taken great pride in the program and many have served on the KOB, Inc., Board of Directors and/or the Mayor's Charity Ball Advisory Board (MCBAB). He stated that the program is a point of pride in McMinnville. Linfield has a federal commitment to put federal funds into community projects and 100 percent of the money goes to the KOB program. The program benefits everyone. He pointed to Linfield College's work study program and advised that the KOB, Inc. Board encourages Mr. Pearson and Ms. Adams to hire Linfield students to help ensure that the College receives federal funding for its work study program. Mr. Pearson added that last year the City paid Linfield \$7,000 and in turn received \$28,000 of value through the work study program.

KOB Manager Adams showed a staff-created video to share the KOB story.

Ms. Adams spoke about the other enrichment activities that occur in KOB, including storytellers, naturalists, rock collectors, hobbyists, knitting, hand work, and a ballet about the first woman to win the Iditarod. The program has won regional recognition from the League of Oregon Cities for its excellent content and the Governor of Oregon asked staff to be a part of a panel to talk about how to run a successful after school program. She spoke of other awards the program has received including the Community Partnership award that was presented by then State School Superintendent Susan Castillo and the Wallace Foundation, a national philanthropy organization based in New York that fosters improvements in learning for disadvantaged children, held the program up as an example of how a successful program is structured.

Mr. Tomlinson reminded everyone of the School District's contribution to the program. The School District provides the buildings, Title I funding, and is a strong successful piece of the program.

Kathy Kolash, McMinnville School District After School Programs Coordinator and Kyra Donovan, Director of Elementary and Federal Programs, spoke. Ms. Kolash advised that she is the individual who applied for the two 21st Century grants. Ms. Donovan stated that she represented the School District on the MCBAB. She stated that there are times when the only way she knows the children are fed and safe until their parents get home is through the KOB program. Ms. Kolash indicated that she was not aware of any other single community that has a program for pretty

much any child. The program also significantly improves the parents' working lives.

Ms. Adams recognized the other cornerstone group - all the volunteers who support the Mayor's Charity Ball as members of the advisory board or as long-term volunteers.

Long-time volunteer and Ball logistics coordinator Frank Butler applauded the program and advised that the program needs to continue.

Another long-time volunteer, Julie Kennedy, spoke about the great things she sees in the program. She stated that she had been a volunteer MCBAB member and as a volunteer for the Mayor's Charity Ball since 2000.

Parks and Recreation Director Pearson read a letter from long-time KOB supporters Jeff and Kristi Mackay.

Mr. Pearson related that many years ago the School District and the City agreed to share facilities and resources. Not every community is willing to combine resources to make the community work so well. He spoke about KOB's financial picture and noted that the 21st Century grant funding helped build the reserves; and the program also received tremendous support from former Mayor Ed Gormley. He directed the Council's attention to the Revenues and Expenditures sheets that were provided in the Council's information packets.

In response to Mayor Olson's question, Ms. Adams explained that when the 21st Century grant funds were coming in, the program was able to offer scholarships to any student whose parents could not afford the program fee. Many of the students they counted as "KOB Kids" only participated in the Power Hour (21st Century Grant funded) program. When the Power Hour was pulled from the KOB program and became a separate program under the School District's auspices, there was a simultaneous dip in the KOB census; however, the very next year, especially after payment plans were implemented, the numbers came back up and exceeded previous numbers.

Ms. Adams further explained that if a payment plan does not work for parents, then staff uses the USDA poverty guidelines for a reduced fee plan. If families qualify, there is an automatic \$200 fee discount down to \$375. Ms. Adams advised that she also works with the School District staff and counselors to make sure those students who need

after school programs and those students who are experiencing homelessness get into the program regardless of ability to pay.

Mr. Pearson spoke of the critical nature of the Mayor's Charity Ball as a source of funding. And, in addition to the Ball, additional funding sources need to be created. Initial thoughts related to creative funding sources include Amazon's smile program, grant writing, Kickstarter, and Go Fund Me.

Ms. Adams pointed out that facilities, utilities, Title I, transportation, and snacks, as well as direct contact with School District counselors, principals, and teachers help reach particular children who are experiencing difficulties all account for in-kind revenues.

Following additional discussion related to funding, Mayor Olson thanked Mr. Pearson and Ms. Adams for their excellent presentation. He stated that although he had considered suggesting that the Mayor's Ball ordinance be sunset, any move must be planned. The Mayor's Charity Ball Advisory Board and KOB, Inc. need to discuss and plan for the next steps. He noted that he would like to see the reserves built up and although the Mayor's Ball and its function may need some modifications, he did not wish to jeopardize the 2017 Ball. He stated that his preference would be to continue moving as in the past with no changes to the Mayor's Ball structure through the 2017 Ball, then look at the options. He thanked all who presented for their time, passion, and dedication. He reiterated that he believed no changes were necessary for the 2017 Mayor's Charity Ball. He suggested that following the upcoming Ball, recommendations should be developed for 2018 event.

3 b UPDATE ON ENFORCEMENT ACTIVITIES RELATED TO NUISANCE PROPERTIES: Mayor Olson advised that this topic had been discussed at the Council's Dinner Meeting and because of the lateness of the hour, it would not be further addressed at this meeting.

4 ORDINANCE

4 a AN ORDINANCE OF THE CITY OF McMinnville Describing the Method for Calculating Parking Time Limits, Repealing Ordinance 4985, Repealing and Replacing Section 32 of Ordinance 3629, and Declaring an Emergency: Mayor Olson advised that he had spoken with counsel about postponing this agenda item to the August 9, 2016 City Council

Meeting. He indicated that City Attorney Koch advised there would be no harm in delaying this topic. Mayor Olson asked that the matter be moved to the August 9, 2016 Regular City Council Meeting.

5 ADVICE / INFORMATION ITEMS

5 a and b CITY COUNCIL AND DEPARTMENT HEAD REPORTS: Due to the lateness of the hour, no Council or Department Head reports were heard.

6 EXECUTIVE SESSION: Pursuant to ORS 192.660(2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Mayor Olson advised all in attendance of the rules associated with Executive Sessions, after which he opened the Executive Session at 11:00 p.m.

Mayor Olson adjourned the Executive Session at 12:15 a.m.

7 ADJOURNMENT: Mayor Olson adjourned the Meeting at 12:15 a.m.

Rose A. Lorenzen, Recording Secretary

CITY OF McMinnville
MINUTES OF DINNER MEETING of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, September 27, 2016, at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Kevin Jeffries	Alan Ruden
	Kellie Menke	Larry Yoder
		Remy Drabkin
		Scott Hill

Also present were City Manager Martha Meeker, City Attorney Pro Tem Walt Gowell, Fire Chief Rich Leipfert, Planning Director Heather Richards, and members of the news media, Tom Henderson of the *News Register*, and Dave Adams of KLYC Radio.

DINNER MEETING: Mayor Olson called the Dinner Meeting to order at 6:22 p.m. and welcomed all in attendance.

BRIEF AGENDA OVERVIEW: Mayor Olson briefly overviewed the items on the Council's Regular Meeting agenda.

Mayor Olson advised that Yamhill County Transit Manager Cynthia Thompson would be at the Regular Meeting to give the Council an update on the activities of the County's transit system.

FIRE DEPARTMENT STAFFING UPDATE: Fire Chief Leipfert advised that he would give a brief update on current staffing levels at the Fire Department and some options for increased staffing without increased costs.

PLANNING DEPARTMENT UPDATE: Planning Director Richards updated the Councilors on the Planning Department's agenda. She noted that she would be bringing ideas forward in the near future regarding restructuring the Citizens Advisory Committee. She also advised that a new population forecast would be coming from the State of Oregon (through Portland State University) which will set the stage for the next 20 years of growth in McMinnville. She also noted that she would be calling each of the Council members to discuss a five-year strategic plan that she was hoping to build for the Planning Department.

ADJOURNMENT: Mayor Olson adjourned the Dinner Meeting at 6:33 p.m.

Rose A. Lorenzen, Recording Secretary

CITY OF McMinnville
MINUTES OF REGULAR MEETING of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, September 27, 2016, at 7:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Kevin Jeffries	Alan Ruden
	Kellie Menke	Larry Yoder
		Remy Drabkin
		Scott Hill

Also present were City Manager Martha Meeker, City Attorney Pro Tem Walt Gowell, Fire Chief Rich Leipfert, Police Chief Matt Scales, Community Development Director Mike Bisset, Planning Director Heather Richards, and members of the news media, Tom Henderson of the *News Register*, and Dave Adams of KLYC Radio.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the meeting to order at 7:00 p.m. and welcomed all in attendance. He noted for the record that Councilors Drabkin and Hill had been excused from the evening's proceedings.

PLEDGE OF ALLEGIANCE: Councilor Jeffries led in the recitation of the Pledge of Allegiance.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Olson asked for comments from citizens on topics not on the evening's agenda.

Jared Miller, 947 SE Ford Street, advised he was running in the upcoming election for the position of Mayor. He noted that as he was out speaking with people, he has been urging everyone to vote. He advised that he has been working with several local organizations on various topics of community concern, including crime rates, recycling and waste, suicide awareness, landscape renewal, skate parks, and the Parents Watch and Neighborhood Watch within his own Ward, Ward Three.

Cole Risdon, owner of NW Advantage, a marijuana dispensary located at Adams and 8th Streets began speaking about his concerns regarding Ordinance No. 5000.

Community Development Director Bisset noted that although City Attorney Koch was not present at this meeting, and therefore, could not advise the Council, he was aware that Mr. Risdon had filed a tort claim with the City about this matter and cautioned the Council to not entertain discussion on this topic.

Mayor Olson thanked Mr. Bisset and advised Mr. Risdon that because this subject was a matter in litigation, the Council could not hear testimony from Mr. Risdon and could not discuss the matter.

Mark Davis, 652 SE Washington, spoke about affordable housing. He noted that within the last month, the Douglas Hotel, a long-time low rent establishment, was emptied of tenants as the owner prepares the establishment for upgrades. Additionally, the owners of a low-income 12-unit apartment building near Linfield College have raised rents for the tenants in the apartments. He pointed out that a lack of affordable housing contributes to the homeless population and McMinnville was headed in the wrong direction. He asked how 20 units of affordable housing would be replaced. He pointed out that he believed Visit McMinnville has been very successful in its efforts to bring tourists into the area. It appeared to him that people are purchasing affordable properties and upgrading them for vacation rental property. He asked if Building and/or Planning could look into the affordable housing inventory.

1 PROCLAMATION: Mayor Olson welcomed McMinnville Economic Development Partnership Executive Director Jody Christensen and asked her to come forward to the front of the dais. He then read the McMinnville MADE Day in conjunction with the National Manufacturing Day Proclamation into the record. Joining Ms. Christensen at the front were Jim White from Betty Lou's and Deanna Benson from Freeland Wade. Mayor Olson thanked the three for all they do regarding the promotion of manufacturing in McMinnville.

Ms. Christensen thanked all and stated she was honored to celebrate with the community's manufacturers.

1 CONSENT AGENDA: Mayor Olson asked the Council if there were any items on the Consent Agenda that they wished to discuss.

Interim City Attorney Gowell suggested that Resolution Nos. 2016-68 and 2016-69 be removed from the Consent Agenda because of the size of the project those resolutions represent.

Councilor Menke MOVED to approve the following items on the Consent Agenda:

- Minutes of the June 14, 2016 Dinner and Regular City Council Meetings;
- **Resolution No. 2016-66:** Approving a contract with Hawkins, Delafield & Wood LLP for Bond Counsel Services;
- **Resolution No. 2016 67:** Approving the acquisition of property from BBG Investments, LLC for the 5th Street transportation bond project.
- **OLCC Application** - Casteel Custom Bottling

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The motion was SECONDED by Councilor Ruden. Motion PASSED unanimously.

A RESOLUTION APPROVING TASK ORDERS NO. 2 AND 3 TO THE PERSONAL SERVICES CONTRACT FOR THE DESIGN OF THE OREGON ROUTE 99W AT 2ND STREET SIGNAL REPLACEMENT TRANSPORTATION BOND MEASURE: Community Development Director Bisset briefly reviewed his staff report and pointed out the background materials included in the Council's informational packets. He advised that Task Order No. 2 amended the Contract to include additional design services related to realigning 2nd Street, between Adams Street and Baker Street, to minimize project impacts on private property. He noted that the estimated cost for this work was \$54,099. Task Order No. 3 amended the Contract to include design services for the 1st and 2nd Street pedestrian improvements. The preliminary design services for this work were included in the original Personal Services Contract. Estimated cost for the work associated with Task Order No. 3 was \$259,763. Mr. Bisset referred to the map showing the affected pedestrian crossings. He advised that work is scheduled for the summer of 2017.

Councilor Ruden asked if the environmental concerns associated with the 2nd and Baker Street intersection had been resolved. Mr. Bisset explained that Task Order No. 1 was needed because of the potential environmental issues associated with this location. He advised that although some potentially contaminated soil may need to be removed, the overall impact should be minor and staff does not anticipate problems.

Councilor Menke MOVED to adopt Resolution No. 2016-68 a Resolution approving Task Orders No. 2 and 3 to the Personal Services Contract for the design of the Oregon Route 99W at 2nd Street signal replacement transportation bond measure project; SECONDED by Councilor Yoder. Motion PASSED unanimously.

A RESOLUTION AWARDDING A BID FOR THE McMinnville Municipal Airport, Runway 4-22 Rehabilitation Construction Project, Project No. 2014-1: Community Development Director Bisset referenced his staff report located in the Council's informational packet. He noted that the project was somewhat unique in that the work was bid in May 2016 with the following bid results:

<u>Contractor</u>	<u>Bid Amount</u>
Kerr Contractors Inc.	\$6,649,819.66
K & E Excavating	\$6,978,316.55

The low bidder, Kerr Contractors, Inc. completed all bid items properly and should be considered the lowest responsible bidder.

Mr. Bisset related that because the FAA Airports Improvement Program (AIP) Grant award is midway through the

construction season and the expected construction duration is six months, it is anticipated the project will begin in the first part of May 2017 and will be completed by the first part of October 2017. He advised that the City received funding from a Connect Oregon grant that will pay for the City's match requirement.

Councilor Ruden MOVED to adopt Resolution No. 2016-69 a Resolution awarding a bid for the McMinnville Municipal Airport, Runway 4-22 Rehabilitation Construction Project, Project No. 2014-1; SECONDED by Councilor Yoder. Motion PASSED unanimously.

2 NEW BUSINESS

2 a PRESENTATION ON YAMHILL COUNTY'S TRANSIT SYSTEM: Mayor Olson welcomed Yamhill County Commissioner Stan Primozich, Yamhill County Administrator Laura Tschabold, and Yamhill County Transit Manager Cynthia Thompson.

Yamhill County Transit Manager Thompson shared a brief bio and professional background of herself. She gave the updated facts and figures about the Yamhill County Transit Area (YCTA) and advised that the YCTA employs 38 individuals and owns 30 vehicles which are leased to First Transit. The YCTA connects 17 cities. The majority of YCTA's operating revenue comes from state grants (69 percent); fares (14 percent); Yamhill County (13 percent); and cities (3 percent). The operating maintenance is approximately 66 percent of YCTA's budget. Ms. Thompson advised that YCTA has submitted nearly \$6 million in grants and has been approved for over \$4 million. There is one grant request pending in the amount of \$450,000. She noted that the YCTA has very few "Bus Stop" signs and shelters. She said that she hoped the City of McMinnville might be able to assist them in this area. A high priority for the near future (2016 - 2020) is replacing the aging fleet. Approximately 60 percent of the fleet is either nearing, at, or past useful life expectancy.

A brief question and answer period ensued. Following the discussion, Mayor Olson thanked both Ms. Thompson and Mr. Primozich for their informative presentation.

3 OLD BUSINESS

3 a UPDATE ON FIRE DEPARTMENT STAFFING: Fire Chief Leipfert thanked the Council for the opportunity to discuss the Department's staffing needs. He noted that he had met earlier with Councilors Menke and Hill regarding the need for "floater" positions. He explained that the Fire Department has minimum staffing levels - 10 individuals are assigned to each shift. One person can be off duty for a shift without incurring any overtime; however, with two off, a mandatory overtime situation exists. He noted that in the first quarter of 2016, there were 109 shifts of overtime work back. This is in addition to the one

"floater" position that was approved in July. In a mandatory overtime situation, staff is running for 48 hours straight. This increases risks associated with decision making in emergency medical and fire situations. He further explained that if two additional floaters are hired, each floater will cover enough of the overtime shifts to pay for the positions in this budget year. He referenced the chart in the Council's informational packet that depicted the costs associated with adding one, two, or three floater positions. He noted that the original proposal (of one floater) had some savings, adding two additional floaters would be a break even situation. He further explained that all costs associated with the two positions had been factored into the cost analysis and the two additional floater positions would be budget neutral.

Following a brief discussion, by consensus the Council approved the two additional floater positions.

ADD ITEM

POLICE DEPARTMENT STAFFING UPDATE: Police Chief Scales thanked the Council for the opportunity to speak to them regarding what he considered an immediate need. He reminded the Council of the upcoming work session regarding long-term stable funding for the Police Department. However, his pressing concern is the immediate staffing needs of the Department. He noted that his goal, as Chief, was to have the McMinnville Police Department be the "jewel of Oregon" in appropriate staffing and areas of enforcement. He stated his two topics of urgent concern were both external and internal - i.e., officers' ability to respond to all critical calls; and to address the extreme frustration felt by his employees. Staff is working overtime, yet there are areas of coverage - evidence, code enforcement, and YCINT - that are no longer being adequately covered. These matters are causing high stress in the Officers' family lives.

Chief Scales pointed out that as the Council had just heard from the YCTA, the transit brings people into McMinnville which is the hub of services in Yamhill County. He stated that he was concerned that the Department was losing staffing resources. Those resources are impossible to recapture. He stated that he was requesting immediate relief. He advised that an additional three officers would be very helpful. He stated that although the conversations that have occurred over the last six months have been beneficial, he has never seen the amount of stress that currently exists within his Department.

Councilor Menke addressed the financial piece of the staffing situation. She noted that the cost of adding three officers would be a total of \$367,000 annually with an additional vehicle in the future. She reviewed that the beginning fund balance going into the current fiscal year was approximately \$100,000 more than anticipated. Additionally, there was a possibility of increasing the NW Natural franchise fee from the current three percent to

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five percent. Looking at those versus potential costs, the City would need to dip into the fund balances by approximately \$160,000. She emphasized the seriousness of the situation and added that although there potentially could be tax dollars coming from marijuana tax if it passes on November 8, she did not know how much the tax would bring into the City's coffers. She stated that she was looking for a feeling of consensus regarding the matter. She offered that two officers could be funded and perhaps the third officer could be postponed for awhile. She asked for discussion.

Councilor Yoder stated that he liked her idea and felt that it was very necessary to move forward, especially with the added activity the Police Department is seeing.

Councilor Ruden agreed and added that the overtime is taking away from family and increasing the stress level of the officers. He advised he was in favor of adding three new officers.

Councilor Jeffries expressed his appreciation to Chief Scales for bringing the matter forward. He stated that although he believed the City could use ten new officers, Police Department staffing levels would need to be reviewed and planned. He pointed out that everyone has staffing needs and he was beginning to believe that adding two officers would be the proper thing to do and then waiting for just a few weeks to determine whether a third officer could be added.

Responding to Councilor Yoder's inquiry, Chief Scales advised that at a minimum, if a recruit officer is brought in, the Police Academy is sixteen weeks in length. He stated that it was critically important that staff hear that something is happening.

Mayor Olson referenced Mark Davis' comments regarding affordable housing and advised that if affordable housing needs are not addressed, the City will continue to see crime trend upwards. He noted that if the Council feels comfortable adding three officers instead of two, then the City should move forward with hiring three new officers.

Councilor Menke cautioned that an eligibility list could be formed and two new officers could be hired. The City has no idea of the amount of funding it will receive from the State.

Discussion ensued regarding the revenue forecasting and the City Council's level of comfort with it. Councilor Menke reiterated that the City could cover two officers (\$200,000) but three new officers would cost \$367,500.

City Manager Meeker directed Police Chief Scales to run the interviews and if authorized, hire three new officers. She noted that the final decision could be made on October 20,

2016 when the new figures are delivered from the County. She advised the Council that staff was asking the Council for their promise of potentially adding three officers.

Police Chief Scales agreed with City Manager Meeker's assessment and stated that the interview process would not change, if the Department is authorized to add three officers, they will move in that direction. He added that if the number is advertised, it would incentivize potential candidates to apply.

Councilor Jeffries MOVED to direct staff to advertise for three new officers; SECONDED by Councilor Ruden. Motion PASSED by a majority vote. (NAY: Menke.)

Councilor Jeffries cautioned that during the next budget cycle, people will be asking for funding and the Council will need to make very difficult decisions. It was important to buckle down and determine how to fund key items.

Chief Scales thanked the Council and advised that he will communicate to his staff the essence of the spirited discussion that was had and the Council's support for the Department.

4

ORDINANCES

4 a

ESTABLISHING THE McMinnville COMMITTEE FOR PUBLIC ART: City Manager Meeker advised that the McMinnville Downtown Association Committee for Public Art (MDACPA) was established in 2007 with a key function of bringing art to the downtown area. The Committee has been very successful and many significant pieces of art can be seen in the downtown area. She explained that they would like to extend placement of the art out beyond just the downtown area - into the City proper. She explained that after discussion, it was determined that the MDACPA could become a committee governed by the City of McMinnville and the art boundaries could be expanded.

City Attorney Pro Tem Gowell read by title only Ordinance No. 5010 an Ordinance of the City of McMinnville establishing the McMinnville Committee for Public Art. (No Councilor present requested that the ordinance be read in full.) The title of the ordinance was read for the second time.

Ordinance No. 5010 PASSED by a unanimous roll-call vote.

4 b

AUTHORIZING FULL FAITH AND CREDIT BONDS FOR MULTIPLE PURPOSES: Finance Director Baragary explained that the ordinance would authorize the issuance of full faith and credit bonds for two different opportunities: 1) the Alpine Avenue Urban Renewal Agency project; and 2) the opportunity to issue debt at a lower interest rate to pay off the costs associated with the City's transition

liability to PERS - an amount of approximately \$3.6 million. She stated that several bank proposals were reviewed earlier in the day and advised that the financial advisor was very pleased about the proposed rates. She added that the cost savings from paying off the PERS transition liability is estimated to be approximately \$925,000.

Councilor Ruden commented that Alpine Avenue will be one of the new jewels of McMinnville. He cautioned that the Urban Renewal Agency will need to keep Third Street improvements in mind as it moves forward with its projects.

City Attorney Pro Tem Gowell read by title only ordinance No. 5011 an Ordinance of the City of McMinnville authorizing Full Faith and Credit Bonds for multiple purposes. (No Councilor present requested that the ordinance be read in full.) The title of the ordinance was read for the second time.

Ordinance No. 5011 PASSED by a unanimous roll-call vote.

5 RESOLUTIONS

- 5 a APPROVING A PAYOFF OF PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS) TRANSITION LIABILITY: Finance Director Baragary explained that this resolution would amend the budget to allow staff to use the loan proceeds to pay off the transition liability to PERS. The resolution spells out the allocations made to the City and to Water & Light. She added that the Water and Light Commission very recently passed a very similar resolution.

Councilor Menke MOVED to adopt Resolution No. 2016-70 a Resolution for payoff of Public Employee Retirement System ("PERS") transition liability; SECONDED by Councilor Ruden. Motion PASSED unanimously.

- 5 b APPOINTING MEMBERS TO THE McMINNVILLE COMMITTEE FOR PUBLIC ART: City Manager Meeker stated that it would be necessary to appoint members to the new McMinnville Committee for Public Art. She stated that it was recommended that the current MDACPA members be appointed as the new body's members. She stated that Jenny Berg from the MDA Design Committee and Rob Stephenson (Chair of the MDA Design Committee) were being added to the Committee's roster.

Councilor Ruden MOVED to adopt Resolution No. 2016-71 appointing members to the McMinnville Committee for Public Art; SECONDED by Councilor Yoder. Motion PASSED unanimously.

- 5 c ADOPTING STANDARDS AND POLICIES FOR THE McMINNVILLE COMMITTEE FOR PUBLIC ART: City Manager Meeker stated that the resolution sets forth the standards and policies for the McMinnville Committee for Public Art.

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Councilor Yoder MOVED to adopt Resolution No. 2016-72 adopting standards and policies for the McMinnville Committee for Public Art; SECONDED by Councilor Menke. Motion PASSED unanimously.

6 ADVICE / INFORMATION ITEMS

6 a and b CITY COUNCIL AND DEPARTMENT HEAD REPORTS: No Councilor or Department Head reports were heard.

ADD ITEM MAYOR OLSON'S LETTER OF RESIGNATION: Mayor Olson read a letter addressed to the City Council, City Manager Meeker, and City Attorney Koch. In it, he stated that because of his upcoming responsibilities associated with becoming a member of the Yamhill County Board of Commissioners, he would be resigning his post of City of McMinnville Mayor effective close of business, Friday, September 30, 2016.

7 ADJOURNMENT: Mayor Olson adjourned the Regular City Council meeting at 8:35 p.m.

Rose A. Lorenzen, Recording Secretary

CITY OF McMinnville
MINUTES OF DINNER MEETING
of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, October 25, 2016, at 6:00 p.m.

Presiding: Kevin Jeffries, Council President

Recording: Melissa Grace, City Recorder

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	
	Scott Hill	
	Kevin Jeffries	
	Kellie Menke	
	Alan Ruden	
	Larry Yoder	

Also present were Interim City Manager Candace Haines, City Attorney David Koch, Planning Director Heather Richards, Fire Chief Rich Leipfert, Community Development Director Mike Bisset, Finance Director Marcia Baragary, and a member of the news media, Tom Henderson of the *News Register*.

DINNER

CALL TO ORDER: Council President Jeffries called the Dinner Meeting to order at 6:20 p.m.

DISCUSSION REGARDING AGENDA ITEMS: Council President Jeffries asked for a volunteer to lead the Pledge of Allegiance and Councilor Hill volunteered. It was noted that if the Webelos Scouts are in attendance for the regular meeting then they would be asked to lead the Pledge.

Council President Jeffries reviewed the agenda for the evening.

Emergency preparedness in relation to sewer and water services was discussed.

MCMINNVILLE MUNICIPAL AIRPORT: Councilor Drabkin mentioned that she has had a couple complaints regarding air and noise pollution at the airport. Community Development Director Bisset informed Councilor Drabkin that there is a complaint form on the City website that citizens may use to file complaints. He added that the online complaint form is a good way to keep track of the complaints and find out what exactly the issues are so that solutions may be determined.

PERS TRANSITION LIABILITY: Finance Director Baragary explained that the public hearing being held during the regular Council meeting is regarding the City's Oregon Public Employees Retirement System (PERS) transition liability and there is a requirement that a public hearing is held.

OREGON AMERICAN PUBLIC WORKS ASSOCIATION AWARD: Community Development Director Bisset shared that the City of McMinnville received the 2016 Environmental Project of the Year from the Oregon American Public Works Association for the Water Reclamation Facility Expansion Project.

CITIZEN ADVISORY COMMITTEE: Planning Director Richards shared that she will be providing Council with a recommendation to reconfigure the Citizen Advisory Committee during the regular meeting. Councilor Drabkin commented that she has heard from constituents concerned about Council's consideration of removing the Citizen Advisory Committee. Planning Director Richards briefly explained that one of the outcomes of the recommendation is more robust citizen involvement. She added that there has been support from the current members of the Citizen Advisory Committee as well as the Planning Commission.

PURCHASE OF A RURAL FIRE PROTECTION ENGINE: Fire Chief Leipfert mentioned that the McMinnville Rural Fire Protection District has awarded the City \$140,000 for the purchase of a rural fire engine. Furthermore, the Fire Department received a \$23,000 Federal Emergency Management Agency (FEMA) grant for the purchase of equipment and supplies for a Citizens Emergency Response Team (CERT) trailer and supplies.

INTERIM CITY MANAGER EMPLOYMENT AGREEMENT: City Attorney Koch stated that there is one small change to the Employment Agreement: Section VII, paragraph D pertaining to life insurance should be removed. He stated that he has provided a revised copy of the agreement to the Interim City Manager Haines, Council President Jeffries, and City Recorder Grace.

OTHER ITEMS: Councilor Drabkin provided a statement addressing Council President Jeffries interest in applying for the City Manager position. She expressed several concerns and stated that she does not believe he should apply for the City Manager position. She remarked that she is also concerned about the hiring timeline for a new City Manager as it is a challenging time of the year to be going through the hiring process. Council Drabkin stated she feels that the process should be delayed until a better time. Council President Jeffries thanked Councilor Drabkin for her thoughtful comments.

Council President Jeffries reminded Council that there is a vacancy on the Citycounty Insurance Services (CIS) Board of Trustees. Councilor Menke requested that the position not be filled by a new City Manager until three years after the new City Manager is hired.

Councilor Hill commented that Planning Director Richards did a great job at the State of the Downtown meeting held earlier in the day.

ADJOURNMENT: Council President Jeffries adjourned the Dinner Meeting at 6:43 p.m.

Melissa Grace, City Recorder

CITY OF McMINNVILLE
MINUTES OF REGULAR MEETING
of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, October 25, 2016, at 7:00 p.m.

Presiding: Kevin Jeffries, Council President

Recording: Melissa Grace, City Recorder

Councilors: Present Excused Absence
Remy Drabkin
Scott Hill
Kevin Jeffries
Kellie Menke
Alan Ruden
Larry Yoder

Also present were Interim City Manager Candace Haines, City Attorney David Koch, Planning Director Heather Richards, Fire Chief Rich Leipfert, Community Development Director Mike Bisset, Finance Director Marcia Baragary, Police Chief Scales, and a member of the news media, Tom Henderson of the *News Register*.

AGENDA ITEM

CALL TO ORDER: Council President Kevin Jeffries called the meeting to order at 7:00 p.m. and welcomed all in attendance.

PLEDGE OF ALLEGIANCE: The Local Webelos Scouts led the Pledge of Allegiance.

Council President Jeffries handed out City of McMinnville pins to the Webolos Scouts.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Council President Jeffries invited the public to comment.

There were no public comments.

1. CONSENT AGENDA

1. a. Consider Minutes of the July 12, 2016 Town Hall and Joint Meeting and October 11, 2016 Dinner and Regular Meetings.

1. b. Resolution No. 2016-73: A Resolution awarding the contract for the replacement of Three Mile Lane Pump Station #3.

1.c. Resolution No. 2016-74: A Resolution amending the contract with Century West Engineering, Inc. for the Runway 4-22 Rehabilitation Project at the McMinnville Municipal Airport, Project No. 2014-1.

1.d. Resolution No. 2016-75: A Resolution approving Task Order No. 1 to the Personal Services Contract for the design of the Ford Street Sidewalk Improvements and Pedestrian Safety Improvements transportation bond measure projects.

Councilor Drabkin asked if the word “exclusionary” on page 5 of the Minutes from the October 11, 2016 should be amended to read “inclusionary”. Planning Director Richards agreed. Interim City Manager Haines added that she was not listed as an attendee in the October 11, 2016 meeting minutes although she was present.

Councilor Menke MOVED to adopt the consent agenda as amended; SECONDED by Councilor Ruden. Motion PASSED unanimously.

2. PUBLIC HEARING

2.a. Public Hearing: City’s PERS transition liability

Finance Director Baragary stated that on September 27, Council authorized the issuance of \$3.5 million in debt with the intention to pay off the PERS transition liability. When the 2016-2017 budget was adopted the retiring of the PERS debt was not anticipated. Ms. Baragary added that the budget needs to be amended so that the City can receive the proceeds and make the payment to PERS. She explained that a public hearing is required because the \$3.5 million is more than 10 percent of the fund.

Council President Jeffries opened the Public Hearing.

Mark Davis, 652 SE Washington Street, stated that he supports doing this. He shared that he wanted to make a public comment that the PERS issue has gotten politicized. He stated that this is confusing and he wants to know that there is light at the end of the tunnel. He added that he felt it would be really helpful for the City to explain how much has to do with the past and how much for the present. He would like the City to provide more information to the public. Mr. Davis stated that he is retired from the Housing Authority but is not a PERS member. He would like it to be explained more.

Councilor Hill asked about the transitional liability bringing the City up to a certain time period. Ms. Baragary explained that in 2001 the State and Local Government Rate Pool was formed allowing Cities to join into the pool, the PERS actuary determined that the City had a liability and it wouldn't be appropriate for the City's liability to be absorbed into the pool. Ms. Baragary added that the advantages of refinancing the debt include decreasing the amount the City is paying PERS and the debt service will be much lower than the interest that PERS has been charging the City.

Discussion ensued regarding the City's PERS liability being broken out from Water and Light. Ms. Baragary stated that the City is coordinating the payoff of the debt with Water and Light.

The public hearing was closed at 7:12 p.m.

3. NEW BUSINESS

- 3.a. Presentation of the Oregon American Public Works Association (APWA) Project of the Year Award for the Water Reclamation Facility (WRF) Expansion Project.

Community Development Director Bisset referred Council to the information included in the Council packet which explains the award. Mr. Bisset stated that the award is a significant achievement for the community and staff. It was a multi-year project which started in 2012 and construction was completed in 2016. He added that it was an extremely complex project, there was extreme weather, and although the City of McMinnville has the most stringent discharge permit in the State, the City was able to keep permit requirements with no violations throughout the project. He added that the project was a financial success

as there was significant savings. Mr. Bisset stated that the genesis of the project was in the Wastewater Master Plan adopted in 2010. Mr. Bisset added that the project included sustainable design elements. He recounted that cooperation amongst those involved in the project was remarkable. Engineering Services Manager and Project Manager, Rich Spofford was recognized as a critical part of the success of the “once in a career” project. A photograph of the award being presented at the Oregon American Public Works Association Convention was displayed.

Council President Jeffries congratulated Community Development Director Bisset on the award.

Discussion ensued regarding weather in relation to power outages and overflow at the wastewater treatment plant.

3.b. Update and Recommendation on Status of Citizen Advisory Committee.

Planning Director Richards discussed the goal of citizen involvement and the related Oregon Administrative Rule (OAR). OAR 660-015-0000(1) states that each government body that adopts and administers a Comprehensive Plan must have a Citizen Involvement Program. She further detailed the OAR explaining that there must be citizen involvement, communication, an opportunity for citizens to be involved, technical information available, feedback mechanisms in place for citizens to receive a response from policy makers, and funding for the program.

Ms. Richards stated that the City of McMinnville has a two-pronged Citizen Involvement Program consisting of an appointed Citizen Advisory Committee and Planning Commission. She commented on the duality of roles between the Citizen Advisory Committee and the Planning Commission. The history of the Citizen Advisory Committee was outlined. Ms. Richards added that there are currently three members on the Citizen Advisory Committee and there has not been a meeting since the year 2000.

Discussion ensued related to Citizen Involvement Programs in other cities. Ms. Richards stated that it is common for such committees to be project specific and have varying timelines for meeting.

Ms. Richards recommended that the City transition to an ad-hoc project specific Citizen Advisory Committee structure. She mentioned that she would like to see more representation of the various groups within the community in the proposed structure. She also recommended adding a Technical Advisory Committee comprised of technical experts who work with City staff on providing research and support to the Citizen Advisory Committee. Ms. Richards mentioned that all three members of the current Citizen Advisory Committee as well as the Planning Commission are in support of the recommendations. Ms. Richards continued by recommending that Chapter X of the Comprehensive Plan be amended and an internal policy be developed.

The pros and cons of project specific Citizen Advisory Committees were discussed.

Councilor Ruden asked about the mandate from the State. Ms. Richards stated that the City is in compliance with the state mandates related to Citizen Advisory Committees.

Councilor Menke inquired about Planning Director Richards' experience with project specific Citizen Advisory Committees. Ms. Richards explained that this method brings a wider range of stakeholders and a fuller representation of the population and yields better results. She stated that she has seen more complex dialogue as a result of bringing more stakeholders to the table. She added that it brings engagement and support from the community.

Ms. Richards shared that 20% of the population in McMinnville is Latino and expressed her thoughts on how to engage the Latino population.

Councilor Drabkin questioned how citizens would be appointed. Ms. Richards responded by stating that the current structure in place which includes an interview before Council at a televised Council meeting is an intimidating process. Ms. Richards suggested that appointments could still be made through Council but perhaps the process should be changed so that it is not so intimidating and formal.

Councilor Drabkin suggested adding a neighborhood component to the process. She also mentioned she has heard from citizens concerned about eliminating the Citizen Advisory Committee. Planning Director Richards

responded that the intent is to make citizen involvement more robust, broader and more representative of the community demographics. Discussion ensued regarding communication to the community about opportunities for involvement.

Councilor Hill added that he is thankful for the thoughtful process that went into the recommendation. He shared his positive experience with the citizen involvement group for the bond and explained that citizens were fully engaged in the purpose they were serving. He commented on the success as a result of the citizen involvement process. Councilor Menke added that the new structure proposed by Ms. Richards adds a diversity component that is even better than before.

Councilor Yoder mentioned that he was thankful for the alternatives and appreciates the ideas brought forward.

Councilor Ruden commented that he liked the idea of bringing together many different demographics and that he appreciated the suggestion of removing the Council interview element as it may be intimidating. He remarked that removing the interview process before Council would provide for more robust participation.

Council President Jeffries suggested being flexible with the scheduling of meetings to encourage more participation. He added that he supports the recommendation and commented on the learning and insight that takes place in diverse groups with varying opinions.

Ms. Richards stated that if the Council wishes to move forward with the recommendations presented, she will initiate a public process. A recommendation would come to Council through the Planning Commission.

Councilor Drabkin MOVED to initiate the process of redefining the Citizens Advisory Committee to the ad-hoc Committees as described in the report. SECONDED by Councilor Ruden. Motion PASSED unanimously.

Council President Jeffries announced that citizens would be able to make comments on the proposed changes during a public hearing at a Planning Commission meeting and when the proposal comes before Council.

4. RESOLUTIONS

4. a. RESOLUTION NO. 2016-76: A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2016-2017 AND MAKING SUPPLEMENTAL APPROPRIATIONS FOR REDEMPTION OF THE CITY'S PERS TRANSITION LIABILITY.

Finance Director Baragary pointed out the net present value savings of refinancing the PERS debt is expected to be about \$950,000 over the next ten years.

Councilor Menke MOVED to adopt Resolution No. 2016-76 adopting a Supplemental Budget for Fiscal Year 2016-2017 and making supplemental appropriations for redemption of the City's PERS transition liability. SECONDED by Councilor Ruden. Motion PASSED unanimously.

4. b. RESOLUTION NO. 2016-77: A RESOLUTION AMENDING THE FISCAL YEAR 2016-2017 BUDGET AND AUTHORIZING THE EXPENDITURE OF GRANT FUNDS.

Fire Chief Leipfert mentioned that the 1982 rural fire truck was retired due to mechanical issues. He explained that the City is in contract with the McMinnville Rural Fire Protection District for fire protection services and they have authorized up to \$140,000 for the replacement of the retired rural fire truck. He stated that this should ensure the purchase of a good-quality, reconditioned engine.

Fire Chief Leipfert added a \$23,000 grant from the Federal Emergency Management Agency (FEMA) was received for a third trailer and supplies for the Community Emergency Response Team (CERT).

Discussion ensued regarding water carrying capacity, ground and driveway clearances, and off-road capabilities in rural areas of the rural fire truck.

Councilor Hill MOVED to adopt Resolution No. 2016-77 amending the Fiscal Year 2016-2017 Budget and authorizing the expenditure of grant funds. SECONDED by Councilor Menke. Motion PASSED unanimously.

- 4.c. RESOLUTION NO. 2016-78: A RESOLUTION APPROVING FUNDING AGREEMENT WITH THE MCMINNVILLE RURAL FIRE PROTECTION DISTRICT (“DISTRICT”) FOR THE PURCHASE OF A RURAL FIRE PROTECTION ENGINE.

Fire Chief Leipfert stated that Resolution No. 2016-78 authorizes the Fire Chief to enter into the Funding Agreement with the McMinnville Rural Fire Protection District to accept the funds and purchase the equipment.

Councilor Drabkin MOVED to adopt Resolution No. 2016-78 approving Funding Agreement with the McMinnville Rural Fire Protection District (“District”) for the purchase of a rural fire protection engine. SECONDED by Councilor Yoder. Motion PASSED unanimously.

- 4.d. RESOLUTION NO. 2016-79: A RESOLUTION APPROVING THE INTERIM CITY MANAGER EMPLOYMENT AGREEMENT.

City Attorney Koch mentioned that there is one change to the Interim City Manager Employment Agreement: the deletion of Section VII, paragraph D pertaining to Life Insurance. He added that the Employment Agreement has been cleared through Finance and the Interim City Manager and would be retroactive to October 3rd, 2016.

Councilor Drabkin MOVED to adopt Resolution No. 2016-79 approving the Interim City Manager Employment Agreement. SECONDED by Councilor Ruden. Motion PASSED unanimously.

5. ADVICE/ INFORMATION ITEMS

5. a. Reports from Councilors on Committee and Board Assignments

Councilor Drabkin recounted the comments she made during the Dinner meeting by stating that she thinks that Council President Jeffries is a great City Councilor and she enjoys her service with him. Councilor Drabkin stated that she sees Council Presidents Jeffries’ application for the City Manager position as problematic. She added that she does not believe that Council President Jeffries’ work on the Performance Improvement Plan (PIP) or in the review process was tainted by a desire to become City Manager; however, Council President Jeffries did serve on subcommittees

that produced the documents which ultimately resulted in the resignation of the former City Manager. She voiced her concern with public perception if Council President Jeffries were hired as City Manager. Councilor Drabkin stated that other potential candidates may be dissuaded from applying knowing that Council President Jeffries had applied. She continued by stating that if Council President Jeffries was selected as City Manager, public trust would be undermined and the public's trust should not be jeopardized. She restated that she does not believe that Council President Jeffries should apply for the City Manager position. Councilor Drabkin also addressed the timing of the hiring of the new City Manager by mentioning that Prothman had mentioned that this is a difficult time to hire because of the holidays and she is concerned that there may not be a broad spectrum of applicants. She stated that it is important to get the best pool of applicants.

Council President Jeffries responded by thanking Councilor Drabkin for her thoughtful comments.

Councilor Yoder commented that the Oregon Department of Transportation (ODOT) has agreed to begin negotiating for the purchase of land on Rex Hill for Phase II of the Bypass Project. He also pointed out that the bypass is supposed to be open a year from now and that the Parkway Committee voted to have a formal grand opening ceremony. The Committee prefers to take the lead on the grand opening ceremony and would will work in conjunction with ODOT.

Councilor Menke shared that Yamhill Communications Agency (YCOM) is moving their meetings to the second Tuesday of the month. She stated that they recently reviewed promotional material and the budget and that things are going well.

Councilor Ruden stated that the Airport Commission meeting is on November 1st and there will be an Affordable Housing Task Force meeting on October 26th. He asked Planning Director Bisset about the Alpine Avenue project with regards to a grand opening ceremony. Mr. Bisset responded that the bid opening is on Thursday and he is hoping to bring good bid award results to Council at the November 8th meeting. He added that the awarded contractor will be a big part of the grand opening ceremony.

Councilor Hill shared that there was a Visit McMinnville Board meeting October 19th where they reviewed financials and received a briefing on Social Media outcomes. He stated they are experiencing very good growth in all areas. He also shared that there is a group working on wayfinding signage in the community. He shared the various other projects that they are working on at Visit McMinnville.

Council President Jeffries mentioned that the Councilors should have received an email from the Council of Governments looking for feedback on the Local Government dinners.

5. b. Department Head Reports

Police Chief Matt Scales remarked that the Police Department recently conducted a gang awareness presentation with UNIDOS and stated that it was well attended and received. He shared that the Police Department is in the middle of recruitment and they recently added four volunteers and two to three reserve officers. He shared that he recently attended International Association of Chiefs of Police (IACP) conference and wanted to share that he believes McMinnville is in good standing with President Obama's 21st Century Policing model and in collaboration with health and mental services. Discussion ensued regarding diversity of applicants in recruitment.

Councilor Menke mentioned that the National Citizen Survey for the City of McMinnville is still being conducted but will be closing soon.

5.c. Cash and Investment Reports – July & August 2016

5.d. City of McMinnville Building Division Report for the period ending September 30, 2016.

6. ADJOURNMENT: Council President Kevin Jeffries adjourned the Regular City Council Meeting at 8:19 p.m.

Melissa Grace, City Recorder



City Council- Regular

Meeting Date: 11/08/2016

Subject: Re-adoption of the Minutes of the
October 11, 2016 Dinner and
Regular Meeting.

From: Melissa Grace, City Recorder / Legal
Assistant

AGENDA ITEM:

Consider the re-adoption of the Minutes of the October 11, 2016 Dinner and Regular Meeting.

BACKGROUND:

At the October 25, 2016 meeting Councilor Drabkin asked if the word "exclusionary" on page 5 of the Minutes from the October 11, 2016 should be amended to read "inclusionary". Council approved the minutes with the change. Upon further review of the powerpoint presentation presented by the Planning Director on the evening of October 11, 2016, it has been determined that the minutes should read as "exclusionary".

RECOMMENDATION:

Re-adopt the Minutes of the October 11, 2016 Dinner and Regular Meeting.

Attachments

October 11, 2016 Minutes

Powerpoint Slide from 10/11/2016

CITY OF McMinnville
MINUTES OF DINNER MEETING
of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, October 11, 2016, at 6:00 p.m.

Presiding: Kevin Jeffries, Council President

Recording: Melissa Grace, City Recorder

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Kevin Jeffries	Remy Drabkin
	Kellie Menke	Scott Hill
	Alan Ruden	
	Larry Yoder	

Also present were Interim City Manager Candace Haines, City Attorney David Koch, Planning Director Heather Richards, Human Resources Director Rose Lorenzen, Library Director Jenny Berg, and a member of the news media, Tom Henderson of the *News Register*.

DINNER

CALL TO ORDER: Council President Jeffries called the Dinner Meeting to order at 6:21 p.m. and advised that Councilors Drabkin and Hill had been excused from the evening's meetings.

DISCUSSION REGARDING AGENDA ITEMS: Council President Jeffries asked for a volunteer to lead the Pledge of Allegiance and Councilor Menke volunteered.

Council President Jeffries reviewed the agenda for the evening.

Planning Director Richards provided a background regarding the proposed Ordinance expanding affordable housing exemptions and explained that the Affordable Housing Task Force has provided recommended exemptions. Councilor Menke added that the Affordable Housing Task Force action plan process began in March. Councilor Ruden stated that Mark Davis made good points with regards to boutique housing and affordable housing.

Ms. Richards discussed the tools that may be used to incentivize affordable housing. Discussion ensued regarding creating affordable housing through providing incentives to builders and identifying potential properties. Ms. Richards stated that a population forecast is going to be conducted as well as an update to the buildable lands inventory. Ms. Richards reminded Councilors that a housing needs analysis has not been conducted.

City Attorney Koch noted that the resolution approving a lease with First Presbyterian Church for public parking will be removed from the agenda. The City is working on a 5 year strategic plan with the McMinnville Urban Renewal Advisory Committee (MURIC) and a public parking study will also be conducted. A capacity analysis needs to be performed and the City is working on the scope and proposal. The lease agreement will be brought back before Council for consideration.

Interim City Manager Haines provided Councilors with a brochure regarding noise at the McMinnville Airport. In addition, she suggested that a committee be formed to discuss the idea of a plastic bag ordinance and asked Councilors to email her a list of interested stakeholders. Ms. Haines suggested that it would be prudent to have a public hearing prior to a first reading of such an ordinance. Discussion ensued regarding stakeholders. Council President Jeffries agreed to participate on the suggested committee.

ALPINE AVENUE IMPROVEMENTS GROUNDBREAKING CEREMONY: Councilor Ruden stated that he would like to see a groundbreaking ceremony for the Alpine Avenue Improvements. He commented that it would be a good opportunity to bring the community together to celebrate. Planning Director Richards stated that the bid will be awarded on November 8th and suggested that the developer should be involved in the planning process of the groundbreaking ceremony. Community Development Director Bisset will be assisting with the planning. Ms. Haines asked Councilors to let her know if they have suggestions on what they would like to see at the groundbreaking ceremony.

CITY MANAGER RECRUITMENT: Council President Jeffries recused himself from the conversation stating that he will be applying for the City Manager position. He left the room at 6:43 p.m.

Ms. Haines presented Councilors with the City Manager position profile and discussed a proposed timeline for recruitment. The Prothman consulting firm will be conducting a nationwide search. Councilor Menke asked that the advertisement include that City Manager would be required to reside within the 97128 zip code within a certain amount of time after hire. Discussion ensued regarding widening the salary range to start at \$130,000 and conducting an extensive recruitment process.

It was advised that a vote should not take place as there was no longer a quorum present.

ADJOURNMENT: Council President Jeffries adjourned the Dinner Meeting at 7:01 p.m.

Melissa Grace, City Recorder

CITY OF McMinnville
MINUTES OF REGULAR MEETING
of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, October 11, 2016, at 7:00 p.m.

Presiding: Kevin Jeffries, Council President

Recording: Melissa Grace, City Recorder

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Kevin Jeffries	Remy Drabkin
	Kellie Menke	Scott Hill
	Alan Ruden	
	Larry Yoder	

Also present were Interim City Manager Candace Haines, City Attorney David Koch, Police Chief Matt Scales, Planning Director Heather Richards, Human Resources Director Rose Lorenzen, Library Director Jenny Berg, and a member of the news media, Tom Henderson of the *News Register*, and Dave Adams of KLYC Radio.

AGENDA ITEM

CALL TO ORDER: Council President Kevin Jeffries called the meeting to order at 7:05 p.m. and welcomed all in attendance.

PLEDGE OF ALLEGIANCE: Councilor Menke led the pledge of allegiance.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Council President Jeffries invited the public to comment.

There were no public comments.

1. PROCLAMATION: Gretchen Olson, Co-Chair of the Yamhill County Chapter of the Hands And Words Are Not For Hurting Project stated that they have partnered with Soroptimist International of McMinnville to support ending abuse and violence against women and girls. Two 4th grade students from Wascher Elementary led the Councilors, City staff members and the public in the Hands pledge. Ms. Olson provided background information on the Hands And Words Are Not For Hurting Project.

Council President Jeffries read aloud and presented Ms. Olson with a proclamation proclaiming the week of October 16th through 22nd to be the 11th annual Hands And Words Are Not For Hurting Week in McMinnville.

2. CONSENT AGENDA

2. a. Consider Minutes of the June 28, 2016 City Council Work Session and Regular Meetings.

Councilor Menke MOVED to adopt the consent agenda as presented; SECONDED by Councilor Ruden. Motion PASSED unanimously.

3. NEW BUSINESS

3. a. Library Book Buddies

Library Director Berg discussed the importance of creating meaningful connections in the community as she shared the history of the Bookmobile and the Book Buddies program. She stated that last summer Library staff took the Bookmobile to the Villa del Sol neighborhood and experienced success with a high participation rate. This year Library staff identified schools where students were not able to participate in summer reading programs in order to determine which neighborhoods would be best served. The Book Buddies program was expanded to several locations to include: Tice Park, Redwood Commons, Washer Elementary, and Villa del Sol. The Bookmobile made a stop at each location once a week throughout the summer. They brought activities and books and partnered with the Parks and Recreation Department to help entertain the kids prior to the Bookmobile activities. Kids participated in Science, Technology, Engineering and Math (STEM) and Science, Technology, Engineering, Art and Math (STEAM) activities. The kids also had a chance to check out library books and DVDs.

Ms. Berg discussed the various partners of the Book Buddies program which included: Oregon Community Foundation, Library Foundation of McMinnville, Friends of the McMinnville Public Library, Yamhill Community Connection Organization, Yamhill Community Action Partnership (YCAP), Community Home Builders, Housing Authority of Yamhill County, McMinnville School District, McMinnville Rotary, Kiwanis, Lions, and Soroptimists. YCAP assisted by bringing food.

Ms. Berg stated that Library staff conducted a survey with kids who participated in the Book Buddies program and displayed the responses from two of the questions. They found that over 50% of the participants stated that they read for fun more often during the summer.

Ms. Berg commented that the Book Buddies program had a number of book giveaways and all of the kids received at least three books that they were able to keep as their own. Ms. Berg discussed the importance of going outside the Library walls to make connections and is hopeful that people will be drawn into the Library as a result of the connections made. Ms. Berg concluded the presentation by inviting Councilors to come out to the Bookmobile next summer.

Discussion ensued regarding the high percentage of Latinos participating in the Book Buddy program.

4. ORDINANCES

4. a. Ordinance No. 5012: Amending Section 3.10.060, Systems Development Charges, Exemptions, of the McMinnville Municipal Code to expand affordable housing exemptions.

Planning Director Richards stated that the Ordinance and the Resolution on the agenda are the first two actions coming out of the Affordable Housing Task Force which are aimed at creating tools to incentivize affordable housing in the community. She explained that the proposed Ordinance would help broaden the types of projects that would qualify for system development charges (SDC) exemptions. The proposed Resolution would allow for a 50% reduction in the building and planning permit fee schedules for qualified affordable housing projects.

Ms. Richards discussed housing affordability and related data including: when housing is considered affordable, the median household income, mortgage and gross rent for McMinnville. She defined affordable housing as when 30% of monthly household income is dedicated to housing expenses. She continued by defining affordable housing as well as the factors influencing affordability: income level, housing expectations, land value, land supply as well as regulations and development charges. Ms.

Richards discussed the role of government regulations such as impact fees, code restrictions, growth restrictions and exclusionary zoning.

Ms. Richards outlined current ordinances, resolutions, and practice in place related to SDC exemptions and low-income housing. She continued by discussing the financial impact of SDCs stating SDCs pay for future capital improvement projects that have been identified as needed to support new development and growth which include transportation, sewer and parks projects. The Affordable Housing Task Force discussed the issue of “How does the City of McMinnville craft a development fee incentive program for affordable housing that is meaningful and easy to administer but does not unduly impact program delivery and delay future capital improvement projects?” They also discussed the forgone revenue impact of the proposed SDC exemptions.

Ms. Richards shared the proposal recommended by the Affordable Housing Task Force as follows: Standardize the incentives meaning 100% of SDC exemptions for qualifying affordable housing projects. She added that there are four parts to doing this: 1. Original rental projects (remove elderly), 2. Owner occupied and lease to purchase for households with an income at or below 80% of the area median income, 3. Homeless shelters, and 4. Mixed-use projects with qualifying housing. She mentioned that the Affordable Housing Task Force discussed budget impacts. It was suggested that a maximum annual threshold of \$75,000 total foregone revenue should be codified, a payback provision of 5 years should be recorded on the deed, there should be a three-year evaluation clause allowing for a program and evaluation period testing, and the proposed Ordinance should be effective January 1, 2017.

Discussion continued related to the 5 year payback provision. Ms. Richards explained that if there is no change in ownership in 5 years or more then there is no payback to the City. The financial impact was detailed. Ms. Richards added that the Ordinance and Resolution have been reviewed by the Community Development Director, Parks Director and City Attorney. Discussion ensued related to the financial impact. Payback provisions were discussed and Ms. Richards mentioned that the standard payback provision is 5 years. The Habitat for Humanity program was discussed. There was extensive dialogue regarding 5 year versus 10 year provisions and affordable housing versus low income housing. Ms. Richards reminded Council that a housing needs assessment has not been

conducted. Council President Jefferies asked if there were any public comments on the subject. Elise Hui, Executive Director of the Housing Authority of Yamhill County stated that she is part of the Affordable Housing Task Force that met and she stated that they did not discuss the 10 year recapture provision. She suggested that Habitat for Humanity and Community Homebuilders are talked to regarding the 10 year recapture provision. Councilor Menke suggested sending the Ordinance back to the Affordable Housing Task Force for consideration of the 10 year option. Ms. Richards stated that the Ordinance would not be effective until January 1, 2017 and the Affordable Housing Task Force meets October 26th so she would be able to bring their recommendations back to Council in November.

5. RESOLUTIONS

5. a. Resolution No. 2016-73: A Resolution establishing reduced permit fees (building and planning) for affordable housing projects.

Ms. Richards stated that Resolution No. 2016-73 is impacted by the payback provision and recommended that action would be postponed until November.

5. b. Resolution No. 2016-74: A Resolution approving a lease with First Presbyterian Church for public parking.

City Attorney Koch stated that Resolution No. 2016-74 was discussed during the Dinner meeting and it would not be considered until a downtown parking survey, evaluation and needs analysis was conducted.

6. ADVICE / INFORMATION ITEMS

6. a. Reports from Councilors on Committee and Board assignments:

Councilor Yoder commented that the Parkway Committee is scheduled to meet next week. He added that the Oregon Department of Transportation (ODOT) is one year from completion on Phase 1 of the Newberg-Dundee Bypass Project.

Councilor Menke stated she attended a Destination Marketing Organization (DMO) meeting and shared that members of the DMO have come up with some new and interesting advertising.

Councilor Ruden shared that the Airport Commission is excited about the reconstruction of the runway.

Council President Jeffries stated that he recently attended a Mid-Willamette Valley Council of Governments (COG) meeting and they recently reviewed and updated the employee handbook.

6. b.

Department Head Reports

Police Chief Scales commented that they had 27 applicants so far for the open Police Officer positions.

Library Director Berg stated the Library is finishing up a project on placing Radio Frequency Identification tags (RFID) in the Library collection.

Parks and Recreation Director Pearson mentioned that he attended the Kiwanis auction event on October 1st where they presented a check to the Parks and Recreation Department for over \$124,000 for the new playground. They exceeded their commitment of \$115,000 which represents an outstanding effort. The Kiwanis also helped inspire the Sunrise Rotary to contribute \$7,500 for a particular piece of playground equipment. In total the community has raised and contributed over \$132,000 for the new playground. He added that this is a reflection on how great this community is.

Information Technology Director Burke shared that his department is working on several projects including improved wireless speed at the Senior Center and a new firewall for the City. He added that he is working on long-term planning for projects.

Planning Director Richards stated that the Planning Commission will be looking at amendments to the sign code to make it more content neutral and looking at the sign amortization that is coming to expiration. She stated that there will be a public hearing in November for Stafford Land Company to bring their subdivision plan of 200 homes in the northwest area. She added that the Planning Department received a land use application for addition of the McMinnville High School project.

Human Resources Director Lorenzen mentioned she is working on the newly created Human Resource Department.

City Recorder and Legal Assistant Grace stated that she is excited to be here and she is looking at projects related to Records Management and the Municipal Code.

6. c. Local Government Dinner hosted by the City of Carlton Thursday, October 27, 2016.

Ms. Lorenzen mentioned that a Local Government Dinner hosted by the City of Carlton is coming up on October 27th. She reminded Council that the City of McMinnville will be hosting the December Local Government Dinner.

Council President Jeffries stated that Council is grateful to have Ms. Haines as the Interim City Manager.

7. ADJOURNMENT: Council President Kevin Jeffries adjourned the Regular City Council Meeting at 8:26 p.m.

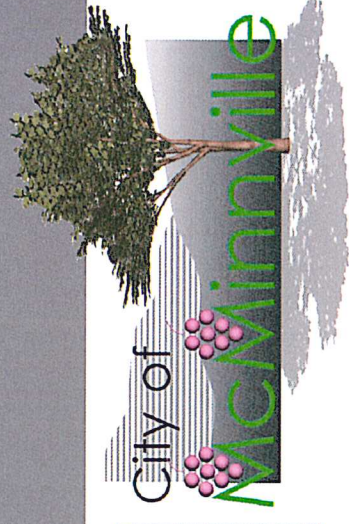
Melissa Grace, City Recorder

HOUSING AFFORDABILITY

THE ROLE OF GOVERNMENT REGULATIONS

- Impact Fees
- Code Restrictions
- Growth Restrictions
- Exclusionary Zoning

CITY COUNCIL. 10.11.16





City Council- Regular

Meeting Date: 11/08/2016

Subject: Personal Services Contract for on-call legal support services.

From: Melissa Grace, City Recorder / Legal Assistant

AGENDA ITEM:

Resolution No. 2016-80: A Resolution authorizing the City Attorney to enter into and manage a Personal Services Contract for on-call legal support services with Beery, Elsner and Hammond, LLP.

BACKGROUND:

On September 14, 2016 a Request for Proposals (RFP) was announced to retain a law firm with specialized experience in municipal law to provide legal support services to the City Attorney and City Prosecutor on an as needed basis. The deadline for proposal submission was on September 28, 2016. Three proposals were received and interviews with the three firms were conducted on October 5th and 6th. Council President Jeffries, Councilor Menke, City Attorney Koch, Community Development Director Bisset, and Human Resources Director Lorenzen attended the interviews. Beery, Elsner and Hammond, LLP was selected as the firm to move forward with. The Engagement Letter and Personal Services Contract for on-call legal support services are attached.

RECOMMENDATION:

Approve Resolution No. 2016-80: authorizing the City Attorney to enter into and manage a Personal Services Contract for on-call legal support services with Beery, Elsner & Hammond, LLP.

Attachments

Engagement Letter
Resolution No. 2016-80
Contract

November 2, 2016

SENT VIA ELECTRONIC MAIL

David R. Koch
City Attorney
City of McMinnville
230 NE 2nd St.
McMinnville, OR 97128

Re: On-Call Legal Services

Dear Dave:

This letter confirms the City of McMinnville (“City”) has engaged Beery, Elsner & Hammond, LLP (“BEH”) to act as on-call legal counsel. Specifically, BEH will provide consultation relative to such legal matters either you or other authorized City personnel may assign us.

Our rates for this work will be:

- \$235.00 per hour for partners and “of counsel”;
- \$225.00 per hour for senior associates;
- \$215 per hour for associates;
- \$135.00 per hour for paralegals; and
- \$110.00 per hour for legal assistants.

Any questions concerning this work may be directed to either Chad or me. We will act at your direction in completing work for the City and any correspondence any of us here at BEH produces and sends to third parties will also be copied to you (as City Attorney) and such others as you deem appropriate.

We submit statements each month showing all services performed, who performed them and the cost of those services. We bill for out-of-pocket costs without markup. For travel time, we will bill the City ½ of the applicable lawyer’s hourly rate.

We are most appreciative of this opportunity to be of service to the City of McMinnville and we are thankful for entrusting your legal issues to us.

If you have any questions or concerns, please feel free to contact me.

Sincerely,



David Doughman
DFD/aw

RESOLUTION NO. 2016 – 80

A Resolution authorizing the City Attorney to enter into and manage a Personal Services Contract for on-call legal support services with Beery, Elsner and Hammond, LLP.

RECITALS:

From time to time it may be necessary to consult with a legal firm that has specialized knowledge of applicable laws including but not limited to general municipal law, public contracting law, land use law, real estate transaction and leasing, labor relations and public employment, telecommunications and utility franchising, ordinance and resolution drafting and review, law enforcement matters and municipal court prosecution; and

The City of McMinnville announced a Request for Proposals (RFP) on September 14, 2016 for on-call legal support services and received three submissions; and

The City has budgeted for contract legal services to provide assistance the City Attorney, as needed.

Now Therefore, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON as follows:

1. That the engagement of Beery, Elsner & Hammond, for on-call legal support services is hereby approved.
2. The City Attorney is authorized to execute the engagement letter and agreement, and such other documents as are necessary to carry out this decision.
3. This Resolution will take effect immediately upon passage.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 8th day of November, 2016 by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of November, 2016.

COUNCIL PRESIDENT

Approved as to form:



CITY ATTORNEY

CITY OF McMinnville, Oregon
PERSONAL SERVICES CONTRACT
for
ON-CALL LEGAL SUPPORT SERVICES

This Contract is between the CITY OF McMinnville, a municipal corporation of the State of Oregon (City) and Beery, Elsner & Hammond, LLP. (Contractor). The City's liaison for this Contract is City Attorney David Koch.

The parties mutually covenant and agree as follows:

1. **Effective Date and Duration.** This contract is effective on the date at which every party has signed the contract and will expire, unless otherwise terminated or extended, on December 31, 2018.
2. **Statement of Work.** The work to be performed under this contract consists of providing specialized legal support services to the City Attorney on an as needed basis. The statement of work is contained in Exhibit A. The Statement of the Work reflects both the work anticipated and the fees the Contractor will charge for each component of that work. The work provided will be guided by the Statement of the Work, but the Contractor will, with the approval and direction of the City, perform services in such a way as to ensure constant progress is being made to achieve the City's end goals in the most efficient manner possible.
3. **Consideration.**
 - a. City agrees to pay Contractor for actual hours worked, and allowable expenses incurred for accomplishing the work required by this contract.
 - b. Contractor will furnish with each invoice for services an itemized statement showing both the work performed and the number of hours devoted to the project by the Contractor and its agents. City will pay the Contractor for services within 30 days of receiving an itemized bill that has been approved by the Project Manager.
 - c. City certifies that sufficient funds are available and authorized for expenditure to finance the cost of this contract.
4. **Additional Services.** Additional services, not covered in Exhibit A, will be provided if mutually agreed upon by the parties and authorized or confirmed in writing by the City, and will be paid for by the City as provided in this Contract in addition to the compensation authorized in subsection 3a. If authorized by the City, the additional services will be performed under a series of Task Orders defining the services to be performed, time of performance, and cost for each phase of services.

[CONTINUED ON NEXT PAGE]

CONTRACTOR DATA, CERTIFICATION, AND SIGNATURE

Name (please print):

Address:

Social Security #: _____

Federal Tax ID #: _____

State Tax ID #: _____

Citizenship: Nonresident alien Yes No

Business Designation (check one): Individual Sole Proprietorship Partnership
 Corporation Government/Nonprofit

The above information must be provided prior to contract approval. Payment information will be reported to the Internal Revenue Service (IRS) under the name and taxpayer I.D. number provided above. (See IRS 1099 for additional instructions regarding taxpayer ID numbers.) Information not matching IRS records could subject you to 31 percent backup withholding.

I, the undersigned, understand that the Standard Terms and Conditions for Personal Services Contracts and Exhibits A, B, C, and D are an integral part of this contract and agree to perform the work described in Exhibit A in accordance with the terms and conditions of this contract; certify under penalty of perjury that I/my business am not/is not in violation of any Oregon tax laws; and certify I am an independent contractor as defined in ORS 670.600.

Signed by Contractor:

Signature/Title

Date

NOTICE TO CONTRACTOR: This contract does not bind the City of McMinnville unless and until it has been fully executed by the appropriate parties.

CITY OF McMINNVILLE SIGNATURE

Approved:

City Manager or Designee

Date

Reviewed:

City Attorney or Designee

Date

CITY OF McMinnville
STANDARD TERMS AND CONDITIONS FOR PERSONAL SERVICES CONTRACTS

1. Contractor is Independent Contractor.
 - a. Contractor will perform the work required by this contract as an independent contractor. Although the City reserves the right (i) to determine (and modify) the delivery schedule for the work to be performed and (ii) to evaluate the quality of the completed performance, the City cannot and will not control the means or manner of the Contractor's performance. The Contractor is responsible for determining the appropriate means and manner of performing the work.
 - b. The Contractor represents and warrants that Contractor (i) is not currently an employee of the federal government or the State of Oregon, and (ii) meets the specific independent contractor standards of ORS 670.600, as certified on the Independent Contractor Certification Statement attached as Exhibit D.
 - c. Contractor will be responsible for any federal or state taxes applicable to any compensation or payment paid to Contractor under this contract.
 - d. If Contractor is a contributing member of the Public Employees' Retirement System, City will withhold Contractor's contribution to the retirement system from Contractor's compensation or payments under this contract and make a corresponding City contribution. Contractor is not eligible for any federal Social Security, unemployment insurance, or workers' compensation benefits from compensation or payments to Contractor under this contract, except as a self-employed individual.
2. Subcontracts and Assignment. Contractor will not subcontract any of the work required by this contract, or assign or transfer any of its interest in this contract, without the prior written consent of the City. Contractor agrees that if subcontractors are employed in the performance of this contract, the Contractor and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.
3. No Third Party Beneficiaries. City and Contractor are the only parties to this contract and are the only parties entitled to enforce its terms. Nothing in this contract gives or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this contract.
4. Successors in Interest. The provisions of this contract will be binding upon and will inure to the benefit of the parties, and their respective successors and approved assigns, if any.
5. Early Termination
 - a. The City and the Contractor, by mutual written agreement, may terminate this Contract at any time.
 - b. The City, on 30 days written notice to the Contractor, may terminate this Contract for any reason deemed appropriate in its sole discretion.
 - c. Either the City or the Contractor may terminate this Contract in the event of a breach of the Contract by the other party. Prior to termination, however, the party seeking the termination will give to the other party written notice of the breach and of the party's intent to terminate. If the Party has not entirely cured the breach within 15 days of the notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.

6. Payment on Early Termination

a. If this contract is terminated under 5(a) or 5(b), the City will pay the Contractor for work performed in accordance with the Contract prior to the termination date. Payment may be pro-rated as necessary.

b. If this contract is terminated under 5(c) by the Contractor due to a breach by the City, then the City will pay the Contractor as provided in subsection (a) of this section.

c. If this contract is terminated under 5(c) by the City due to a breach by the Contractor, then the City will pay the Contractor as provided in subsection (a) of this section, subject to set off of excess costs, as provided for in section 7, Remedies.

7. Remedies

a. In the event of termination under 5(c) by the City due to a breach by the Contractor, the City may complete the work either itself, by agreement with another contractor, or by a combination thereof. In the event the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this contract, the Contractor will pay to the City the amount of the reasonable excess.

b. The remedies provided to the City under section 5 and section 7 for a breach by the Contractor are not exclusive. The City will also be entitled to any other equitable and legal remedies that are available.

c. In the event of breach of this Contract by the City, the Contractor's remedy will be limited to termination of the Contract and receipt of payment as provided in section 5(c) and 6(b).

8. Access to Records. Contractor will maintain, and the City and its authorized representatives will have access to, all books, documents, papers and records of Contractor which relate to this contract for the purpose of making audit, examination, excerpts, and transcripts for a period of three years after final payment. Copies of applicable records will be made available upon request. Payment for the cost of copies is reimbursable by the City.

9. Ownership of Work. All work products of the Contractor, including background data, documentation, and staff work that is preliminary to final reports, and which result from this contract, are the property of the City. Contractor will retain no ownership interests or rights in the work product. Use of any work product of the Contractor for any purpose other than the use intended by this contract is at the risk of the City.

10. Compliance with Applicable Law. Contractor will comply with all federal, state, and local laws and ordinances applicable to the work under this contract, including, without limitation, the provisions of ORS 279B.220, 279B.230, and 279B.235, as set forth on Exhibit B. Without limiting the foregoing, Contractor expressly agrees to comply with: (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 (Pub L No. 101-336), ORS 659A.142, and all regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations.

11. Indemnity and Hold Harmless

a. Except for the professional negligent acts covered by paragraph 11.b., Contractor will defend, save, hold harmless, and indemnify the City, its officers, agents, and employees from all claims, suits, or actions of whatsoever nature resulting from or arising out of the activities of Contractor or its officers, employees, subcontractors, or agents under this contract.

b. Contractor will defend, save, hold harmless, and indemnify the City, its officers, agents, and employees from all claims, suits, or actions arising out of the professional negligent acts, errors, or omissions of Contractor or its officers, employees, subcontractors, or agents under this contract.

12. Insurance. Contractor will provide insurance in accordance with Exhibit C.

13. Waiver. The failure of the City to enforce any provision of this contract will not constitute a waiver by the City of that or any other provision.

14. Errors. The Contractor will perform such additional work as may be necessary to correct errors in the work required under this contract without undue delays and without additional cost.

15. Governing Law. The provisions of this contract will be construed in accordance with the laws of the State of Oregon and ordinances of the City of McMinnville, Oregon. Any action or suits involving any question arising under this contract must be brought in the appropriate court in Yamhill County, Oregon. Provided, however, if the claim must be brought in a federal forum, then it will be brought and conducted in the United States District Court for the District of Oregon.

16. Severability. If any term or provision of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular term or provision held invalid.

17. Merger Clause. THIS CONTRACT AND ATTACHED EXHIBITS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION, OR CHANGE OF TERMS OF THIS CONTRACT WILL BIND EITHER PARTY UNLESS IN WRITING, SIGNED BY BOTH PARTIES. ANY WAIVER, CONSENT, MODIFICATION, OR CHANGE, IF MADE, WILL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS CONTRACT. BY ITS SIGNATURE, CONTRACTOR ACKNOWLEDGES IT HAS READ AND UNDERSTANDS THIS CONTRACT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

EXHIBIT A
STATEMENT OF THE WORK

(See attached Engagement Letter from BEH)

EXHIBIT B
COMPLIANCE WITH APPLICABLE LAW

279B.220 Conditions concerning payment, contributions, liens, withholding. Every public contract shall contain a condition that the contractor shall:

(1) Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract.

(2) Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract.

(3) Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.

(4) Pay to the Department of Revenue all sums withheld from employees under ORS 316.167. [2003 c.794 §76a]

279B.230 Condition concerning payment for medical care and providing workers' compensation.

(1) Every public contract shall contain a condition that the contractor shall promptly, as due, make payment to any person, copartnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services.

(2) Every public contract shall contain a clause or condition that all subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126. [2003 c.794 §76c]

279B.235 Condition concerning hours of labor; compliance with pay equity provisions; employee discussions of rate of pay or benefits. (1) Except as provided in subsections (3) to (6) of this section, every public contract subject to this chapter must provide that:

(a) A contractor may not employ an employee for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency or when the public policy absolutely requires otherwise, and in such cases, except in cases of contracts for personal services designated under ORS 279A.055, the contractor shall pay the employee at least time and a half pay for:

(A)(i) All overtime in excess of eight hours in any one day or 40 hours in any one week if the work week is five consecutive days, Monday through Friday; or

(ii) All overtime in excess of 10 hours in any one day or 40 hours in any one week if the work week is four consecutive days, Monday through Friday; and

(B) All work the employee performs on Saturday and on any legal holiday specified in ORS 279B.020.

(b) The contractor shall comply with the prohibition set forth in ORS 652.220, that compliance is a material element of the contract and that a failure to comply is a breach that entitles the contracting agency to terminate the contract for cause.

(c) The contractor may not prohibit any of the contractor's employees from discussing the employee's rate of wage, salary, benefits or other compensation with another employee or another person and may not retaliate against an employee who discusses the employee's rate of wage, salary, benefits or other compensation with another employee or another person.

(2) A contractor shall give notice in writing to employees who work on a public contract, either at the time of hire or before work begins on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the contractor may require the employees to work.

(3) A public contract for personal services, as described in ORS 279A.055, must provide that the contractor shall pay the contractor's employees who work under the public contract at least time and a half for all overtime the employees work in excess of 40 hours in any one week, except for employees under a personal services public contract who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime.

(4) A public contract for services at a county fair, or for another event that a county fair board authorizes, must provide that the contractor shall pay employees who work under the public contract at least time and a half for work in excess of 10 hours in any one day or 40 hours in any one week. A contractor shall notify employees who work under the public contract, either at the time of hire or before work begins on the public contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the contractor may require the employees to work.

(5)(a) Except as provided in subsection (4) of this section, a public contract for services must provide that the contractor shall pay employees at least time and a half pay for work the employees perform under the public contract on the legal holidays specified in a collective bargaining agreement or in ORS 279B.020 (1)(b)(B) to (G) and for all time the employee works in excess of 10 hours in any one

day or in excess of 40 hours in any one week, whichever is greater.

(b) A contractor shall notify in writing employees who work on a public contract for services, either at the time of hire or before work begins on the public contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the contractor may require the employees to work.

(6) This section does not apply to public contracts:

(a) With financial institutions as defined in ORS 706.008.

(b) Made pursuant to the authority of the State Forester or the State Board of Forestry under ORS 477.406 for labor performed in the prevention or suppression of fire.

(c) For goods or personal property. [2003 c.794 §77; 2005 c.103 §8f; 2015 c.454 §4]

EXHIBIT C
INSURANCE

(The Project Manager must answer and initial 2, 3, and 4 below).

During the term of this contract, Contractor will maintain in force at its own expense, each insurance noted below:

1. Workers Compensation insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers. (Required of contractors with one or more employees, unless exempt under ORS 656.027).

Required by City I am exempt. Signed _____

2. Professional Liability insurance with a combined single limit of not less than \$1,200,000, \$2,000,000, or \$3,000,000 each claim, incident, or occurrence. This is to cover damages caused by error, omission, or negligent acts related to the professional services to be provided under this contract. The coverage must remain in effect for at least one year two years after the contract is completed.

Required by City Not required by City By: _____

3. General Liability insurance, on an occurrence basis, with a combined single limit of not less than \$1,200,000, \$2,000,000, or \$3,000,000 each occurrence for Bodily Injury and Property Damage. It must include contractual liability coverage. This coverage will be primary and non-contributory with any other insurance and self-insurance.

Required by City Not required by City By: _____

4. Automobile Liability insurance with a combined single limit, or the equivalent of not less than \$1,200,000, \$2,000,000, or \$3,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, hired or non-owned vehicles.

Required by City Not required by City By: _____

5. Notice of cancellation or change. There will be no cancellation, material change, reduction of limits, or intent not to renew the insurance coverage(s) without prior written notice from the Contractor or its insurer(s) to the City.

6. Certificates of insurance. As evidence of the insurance coverages required by this contract, the Contractor will furnish acceptable insurance certificates to the City at the time the Contractor returns the signed contracts. For general liability insurance and automobile liability insurance, the certificate will provide that the City, and its agents, officers, and employees, are additional insureds, but only with respect to Contractor's services to be provided under this contract. The certificate will include the cancellation clause, and will include the deductible or retention level. Insuring companies or entities are subject to City acceptance. If requested, complete copies of insurance policies will be provided to the City. The Contractor will be financially responsible for all pertinent deductibles, self-insured retentions, and self-insurance.

EXHIBIT D
CERTIFICATION STATEMENT FOR INDEPENDENT CONTRACTOR
(Contractor complete A or B below, Project Manager complete C below.)

A. CONTRACTOR IS A CORPORATION

CORPORATION CERTIFICATION: I am authorized to act on behalf of the entity named below, and certify under penalty of perjury that it is a corporation.

Entity	Signature	Date

B. CONTRACTOR IS INDEPENDENT.

Contractor certifies he/she meets the following standards:

1. The individual or business entity providing services is free from direction and control over the means and manner of providing the services, subject only to the right of the person for whom the services are provided to specify the desired results,
2. The individual or business entity is licensed under ORS chapters 671 or 701 if the individual or business entity provides services for which a license is required by ORS chapters 671 or 701,
3. The individual or business entity is responsible for obtaining other licenses or certificates necessary to provide the services,
4. The individual or business entity is customarily engaged in an independently established business, as any three of the following requirements are met (please check three or more of the following):
 - ___ A. The person maintains a business location i) that is separate from the business or work location of the person for whom the services are provided or ii) that is in a portion of the person's residence and that portion is used primarily for the business.
 - ___ B. The person bears the risk of loss related to the business or the provision of services as shown by factors such as i) the person enters into fixed-price contracts, ii) the person is required to correct defective work, iii) the person warrants the services provided, or iv) the person negotiates indemnification agreements or purchases liability insurance, performance bonds, or errors and omissions insurance.
 - ___ C. The person provides contracted services for two or more different persons within a 12 month period or the person routinely engages in business advertising, solicitation, or other marketing efforts reasonably calculated to obtain new contracts to provide similar services.
 - ___ D. The person makes a significant investment in the business, through means such as i) purchasing tools or equipment necessary to provide the services, ii) paying for the premises or facilities where the services are provided, or iii) paying for licenses, certificates, or specialized training required to provide the services.
 - ___ E. The person has the authority to hire other persons to provide or to assist in providing the services and has the authority to fire those persons.

Contractor Signature	Date

(Project Manager complete C below.)

C. CITY APPROVAL

ORS 670.600 Independent contractor standards. As used in various provisions of ORS chapters 316, 656, 657, 671, and 701, an individual or business entity that performs services for remuneration will be considered to perform the services as an "independent contractor" if the standards of this section are met. The contractor meets the following standards:

1. The Contractor is free from direction and control over the means and manner of providing the services, subject only to the right of the City to specify the desired results,
2. The Contractor is responsible for obtaining licenses under ORS chapters 671 and 701 when these licenses are required to provide the services,

3. The Contractor is responsible for obtaining other licenses or certificates necessary to provide the services,
4. The Contractor has the authority to hire and fire employees to provide or assist in providing the services, and
5. The person is customarily engaged in an independently established business as indicated in B. 4 above.

Project Manager Signature

Date



City Council- Regular

Meeting Date: 11/08/2016

TOPIC

Update on Visit McMinnville from Executive Director Jeff Knapp.



City Council- Regular

Meeting Date: 11/08/2016

Subject: General Fund 1st Quarter Budget
Review

From: Melissa Grace, City Recorder / Legal
Assistant

AGENDA ITEM:

General Fund 1st Quarter Budget Review

BACKGROUND:

Finance Director Baragary will provide a review of the General Fund 1st Quarter Budget.

Attachments

1st Quarter Budget Review



230 NE Second Street • McMinnville, Oregon 97128-4831 • www.ci.mcminnville.or.us

To: Candace Haines, Interim City Manager

From: Marcia Baragary, Finance Director *MB*

Date: November 8, 2016

Re: General Fund 1st Quarter Budget Review for fiscal year 2016-17

At the 2016-17 Budget Committee meeting last May, the City Council asked that we provide a General Fund 1st Quarter Budget Review in early November. The report that follows provides updated information for General Fund revenues and expenditures and incorporates that information into the long term fiscal forecast.

To better understand the impact of these updates on the estimated 2016-17 budget and the forecast, we've expanded the forecast to include the current fiscal year budget plus four subsequent years (fiscal years 2016-17 through 2020-21). The previous forecast projected General Fund results through fiscal year 2018-19.

Revisions to General Fund resources included in the forecast are as follows:

- Actual beginning fund balance for fiscal year 2016-17 exceeded estimated amount by \$170,000
- Actual increase in assessed values and property tax revenues are on track with the increase that was budgeted (4 percent); all fiscal years included in the forecast reflect a 4 percent increase
- Assumption that the City's share of state marijuana tax revenue will be approximately \$50,000 annually

Revisions to General Fund expenditures included in the forecast are as follows:

- Addition of three police officers at mid-year in 2016-17 (from \$315,000 to \$365,000 annually)
- Potentially eliminating two Park Maintenance positions that were included in the 2016-17 budget (\$140,000 annually)
- Potentially eliminating increase in Library staffing included in the 2016-17 budget; the increase was to allow the Library to be open on Saturday mornings (\$34,000 annually)
- Eliminated \$60,000 included in the 2016-17 budget for design of the Fire Hall remodel and repair
- Adjusted assumptions for annual "savings"
- Added the 2019-2021 PERS biennium, reflecting the impact of estimated increase in PERS employer contribution rates in July 2019

The table below shows the General Fund reserve as a percentage of annual expenditures, comparing the forecasted percentages based on the 2016-17 adopted budget to the updated forecasted percentages, with the revisions mentioned on the previous page. As a reminder, the City’s reserve policy recommends that the General Fund reserve should generally be no less than 25 percent of annual expenditures.

Fiscal year	Forecast based on 2016-17 Adopted Budget	Forecast with Revisions to Revenues and Expenditures
2016-17	32%	27% to 28%
2017-18	29%	25% to 27%
2018-19	25%	20% to 22%
2019-20	-----	12% to 17%
2020-21	-----	5% to 13%

Due to the inherent uncertainty in forecasting, we’ve presented ranges, or “worst case” and “best case” scenarios, for the revised forecast percentages in the table above. The “worst case” scenario reflects a 20 percent PERS increase in 2019-20, three additional police officers, and an increase of 2.5 FTE in other General Fund departments in 2016-17. The “best case” reflects a 10 percent PERS increase in 2019-20, three additional police officers, and no other additional staffing through 2020-21. The range of percentages clearly shows the significant impact of PERS rate increases that are expected in 2019-20.

The table below illustrates the “best case” scenario, with revenues, expenditures, and fund balances expressed in thousands of dollars. Also included is the projected deficit for each fiscal year, or the amount that expenditures are expected to exceed revenues.

Numbers in the table below are expressed in “thousands”

	2016-17	2017-18	2018-19	2019-20	2020-21
Beginning Fund Balance	\$ 7,302	\$ 6,650	\$ 5,932	\$ 5,064	\$ 4,053
Revenues	* 21,856	20,432	21,089	21,774	22,482
Expenditures	*(23,508)	(22,150)	(22,957)	(23,785)	(24,348)
“Savings”	1,000	1,000	1,000	1,000	1,000
Reserve	\$ 6,650	\$ 5,932	\$ 5,064	\$ 4,053	\$ 3,187
Deficit	(652)	(718)	(868)	(1,011)	(866)
Reserve %	28%	27%	22%	17%	13%

*2016-17 Revenues and Expenditures include \$2.2M loan proceeds and disbursement to Urban Renewal Agency

In the table above, the amount of “Savings” reflects the estimated variance between actual and budgeted results. Generally, actual revenues received during the year exceed budgeted revenues and actual expenditures for the year are less than budgeted.

In past fiscal years, we've been very conservative with assumptions about "savings" and the actual General Fund reserve has consistently been much higher than projected. However, for 2016-17 and subsequent forecasted years, our goal is to be more realistic. As a result, we expect that actual General Fund reserves for forecasted years will be comparable to the revised reserves presented in this report, barring significant changes to economic conditions or Council priorities. In other words, we've reduced the size of the "cushion" to provide more realistic information.

That being said, the forecast is based on our best assumptions and information that is known at this time. Its purpose is to quantify the long term impact of fiscal events and decisions that affect the budget; it is intended to provide a framework for fiscal and budgetary discussions.

As in past years, we will bring a General Fund Mid-Year Budget Review for fiscal year 2016-17 and updated forecast to the Council in late January or early February. This Mid-Year Review will be more in depth than the 1st Quarter Review presented here and will "set the stage" for the budget process for fiscal year 2017-18. Due to the significant impact of PERS rates, we will again provide a five year fiscal forecast instead of the three year forecast we've provided in the past.

Please let me know if you have any questions regarding this report.



City Council- Regular

Meeting Date: 11/08/2016

Subject: Ordinance amending 3.10.060, Systems Development Charges, Exemptions, of the McMinnville municipal code to expand affordable housing exemptions.

Submitted For: Heather Richards, Planning Director

From: Heather Richards, Planning Director

AGENDA ITEM:

Ordinance No. 5012: An Ordinance amending Section 3.10.060, Systems Development Charges, Exemptions, of the McMinnville Municipal Code to expand affordable housing exemptions. (Second Reading)

BACKGROUND:

Ordinance No. 5012 amends Section 3.10.060 of the McMinnville City Code to expand what types of affordable housing projects are exempt from System Development Charges from just those housing projects for low-income or elderly persons which are exempt from real property taxes under state law to housing for low-income residents which are exempt from real property taxes **and** owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the Area Median Income **and** Homeless Shelter Developments. The Ordinance also provides for an annual maximum allocation of exemptions not to exceed \$75,000 unless it is approved by action of the McMinnville City Council, as well as a payback clause if one of the projects that receives an exemption is sold within ten years of receiving the exemption. This is a proposal recommended to the McMinnville City Council from the appointed Affordable Housing Task Force after considerable review of existing policies and practices at the City of McMinnville and other communities throughout the state.

Ordinance No. 5012 was presented and discussed at the October 11, 2016, McMinnville City Council meeting. At that time, the City Council asked why the payback provision was only five years if the total exemption could add up to approximately \$10,000 per dwelling unit. They asked staff to bring the question back to the Affordable Housing Task Force for consideration and a final recommendation to the City Council.

On October 26, 2016, the Affordable Housing Task Force reconvened to evaluate the five-year payback provision, and after some discussion voted to recommend a ten-year payback provision based upon the City Council's concerns that \$10,000 was a significant amount to forgive over a five year time period and that the McMinnville Habitat for Humanity had a program that forgave the second mortgage on one of their homes after ten years.

Ordinance No. 5012 contains that revised recommendation from the Affordable Housing Task Force.

The ordinance is scheduled to take effect on January 1, 2017, to allow staff to create the necessary internal structure to administer the program.

FISCAL IMPACT:

The exemptions represent foregone revenue to the City of McMinnville that would normally be collected to help fund capital improvement projects in the transportation, wastewater and parks programs. Since there is a built-in annual maximum threshold of \$75,000 in the program (including SDC exemptions and permitting fees), the following table represents the approximate maximum impact to city projects and programs without further city council action.

Total Foregone Revenue	Transportation SDCs	Sewer SDCs	Parks SDCs	Building Program	Planning Program	
\$75,000	(\$18,304)	(\$22,960)	(\$16,944)	(\$14,000)*	(\$2,792)*	

*Estimate

RECOMMENDATION:

Staff recommends approval of Ordinance No. 5012.

Attachments

Ordinance No. 5012

ORDINANCE NO. 5012

An Ordinance amending 3.10.060, Systems Development Charges, Exemptions, of The McMinnville Municipal Code to expand Affordable Housing Exemptions.

RECITALS:

The City of McMinnville understands the value and need for affordable housing in the City of McMinnville; and

The McMinnville City Council would like to increase the availability of affordable housing for low and no-income residents of the City of McMinnville; and

The City of McMinnville created a McMinnville Affordable Housing Task Force on April 26, 2016 with Resolution No. 2016-20; and

The City of McMinnville is able to reduce the costs of building affordable housing by reducing the amount of development fees required; and

The McMinnville Affordable Housing Task Force after careful consideration and evaluation recommends the exemption of affordable housing from system development charges to help enable the development of affordable housing in the City of McMinnville.

Now, Therefore, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

1. The provisions set forth in the Attached Exhibit 1, which are incorporated by this reference, are hereby adopted.
2. This Ordinance shall take effect on January 1, 2017.

Passed by the Council this 8th day of November 2016, by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of November, 2016.

COUNCIL PRESIDENT

Attest:

Approved as to form:

CITY RECORDER



CITY ATTORNEY

EXHIBIT 1

PROPOSED AMENDMENTS TO THE MCMINNVILLE MUNICIPAL CITY CODE

New proposed language is represented by **bold underline font**, deleted language is represented by ~~strikethrough font~~.

3.10.060 Exemptions. The following are exempt from the systems development charge imposed in Section 3.10.020.

A. An alteration, addition, remodel, replacement or change in use that does not increase the use of capital improvements.

~~B. Housing for low income or elderly persons which is exempt from real property taxes under state law.~~

B. Affordable Housing.

1. The following affordable housing projects are exempt:

- a. **Housing for low-income residents which is exempt from real property taxes under state law. Applicants will need to provide proof of exemption at the time of application.**
- b. **Owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the Area Median Income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development. Income levels will need to be certified and provided by the applicant at the time of application.**
- c. **Homeless Shelter Developments.**
- d. **If the project has units that do not qualify for the exemption or a commercial component, the exemption will be applied to only that portion of the project that qualifies.**

2. The annual allocation to affordable housing exemptions will not exceed \$75,000 unless it is approved by action of the McMinnville City Council.

3. Upon issuance of the certificate of occupancy, the city shall record the certificate of exemption documenting the date and amount of the exemption with the Yamhill County Recorder's office

4. In the event the property for which an exemption is granted ceases to be utilized for housing for low-income persons within ten years from the date the certificate of exemption is recorded, the person to whom the exemption was granted shall be required to pay to the city the amount of the exempted systems development charges.



City Council- Regular

Meeting Date: 11/08/2016

Subject: Ordinance amending Chapter 17.62
of the McMinnville Zoning Ordinance.

Submitted For: Heather Richards, Planning Director

From: Heather Richards, Planning Director

AGENDA ITEM:

Ordinance No. 5013: An Ordinance amending Chapter 17.62 of the McMinnville Zoning Ordinance to add provisions related to the amortization process for nonconforming signs and to remove content-based sign regulations.

BACKGROUND:

Ordinance No. 5013 amends the Section 17.62, Signs, of the McMinnville Zoning Ordinance to create a more comprehensive amortization enforcement program that allows for exemptions and appeals and to ensure that the sign regulations are content neutral per recent federal case law.

Amortization Process and Appeals. In November 2008, the City of McMinnville adopted a sign ordinance (Ordinance 4900). This ordinance included an amortization process which would bring nonconforming signs into compliance with the updated sign regulations. The original deadline for nonconforming signs to be brought into compliance was eight (8) years from the adoption of the ordinance, and that deadline is approaching at the end of 2016. The ordinance also required that notice of sign noncompliance be "mailed to affected property owners following the adoption of this ordinance and again no later than one year prior to the end of the amortization period". Due to limited staffing and resources, the Planning Department has not sent out notification of the upcoming deadline to impacted property and business owners.

The Planning Department developed amendments to Chapter 17.62 of the McMinnville Zoning Ordinance, which were reviewed and recommended for approval by the Planning Commission after a public hearing was held on October 20, 2016. The proposed amendments would allow for staff to successfully implement the sign amortization program and meet the intent of the ordinance that was originally adopted in 2008. The amendments, if adopted, will also provide an opportunity for staff to work with property owners on voluntary compliance, which will be a major goal of the Planning Department during the implementation of the amortization program.

The proposed amendments extend the deadline for property owners to come into compliance to December 31, 2017. Staff is also proposing that the City of McMinnville be required to provide a notification of sign non-compliance six (6) months prior to the end of the amortization process, and again before taking any enforcement action. The rationale for providing the six (6) month notification is that the signs in non-compliance are in most cases larger than allowed and a comparable signage program is usually a significant budget expense for businesses and property owners. The initial six (6) month

notification will allow those that are impacted to plan for the modifications needed in their budgets.

The deadline extension is being proposed to provide additional time for Planning Department staff to accurately identify properties with nonconforming signs. If the proposed deadline is adopted, staff would complete a city-wide inspection to compile a comprehensive inventory of all suspected existing nonconforming signs. The creation of this updated inventory would ensure that proper notification is sent to all owners of suspected nonconforming signs, which would provide those owners with adequate time to work with the City on whether or not the sign is actually non-conforming and plan for necessary modifications.

The proposed amendments also provide additional opportunities for owners of property on which nonconforming signs are located to appeal a notice of sign noncompliance issued by the City of McMinnville. One of these additional options would allow for a property owner to provide evidence to the Planning Department that a sign is actually in compliance. Initial staff inspections and the identification of nonconforming signs may not be accurate, as staff will not have access onto a site to properly inspect existing signs (e.g. measure setbacks or measure sign area).

Other additional options, including variances and exceptions, would provide opportunities for owners to cite evidence that the strict enforcement of the ordinance would result in a hardship. Minor setback variance requests, which can be approved administratively, would be reviewed by the Planning Director. All other requests would go before the Planning Commission for consideration and approval. Staff is proposing that a property owner have 60 days to appeal a notice.

Reed v. Gilbert, Content Neutrality of Signs: A recent United States Supreme Court case, *Reed v. Town of Gilbert*, has defined how sign regulations cannot violate the First Amendment and the right to free speech. Based on the ruling from that case, a sign ordinance that regulates based on the message or content of the sign is content based and would fail the strict scrutiny test if challenged in court. Local governments have been advised to review their sign codes to determine whether the existing regulations are content neutral, or in other words, that the regulations do not treat signs differently based on the content or message of the sign itself.

The Planning Department completed a thorough review of the sign ordinance and determined that a majority of the existing sign regulations are not content-based. The one regulation that could be considered to be content-based is Section 17.62.070(F), which regulates Menu Board Signs. This reference to “menu board signs” is a content-based regulation, as the regulation applies only to signs with a certain message (i.e. restaurant menus). The proposed amendments allow for additional freestanding signs on properties with businesses that employ drive-up service. This proposed amendment ties the sign regulation to a particular use, rather than the regulation only applying to signs with a certain message.

FISCAL IMPACT:

There are no anticipated fiscal impacts with the proposed text amendments.

RECOMMENDATION:

Staff recommends approval of Ordinance No. 5013.

Attachments

Ordinance No. 5013

Ordinance No. 5013 draft PC Minutes

ORDINANCE NO. 5013

An Ordinance amending Chapter 17.62 of the McMinnville Zoning Ordinance to add provisions related to the amortization process for nonconforming signs and to remove content-based sign regulations.

RECITALS:

The McMinnville City Council adopted Ordinance 4900 on November 5, 2008 creating Chapter 17.62 of the McMinnville zoning ordinance, that, in part, established an amortization process to bring nonconforming signs into compliance by December 5, 2016; and

Chapter 17.62 of the McMinnville zoning ordinance prescribed a city process of notification for bringing non-conforming signs into compliance by December 5, 2016, but due to staffing limitations and department resources, the notification process was not performed in a timely manner; and

On September 21, 2016, the Planning Commission directed the Planning Department to initiate a legislative zoning ordinance amendment to extend the amortization deadline and to develop exceptions as well as provide property owners with opportunities to appeal notifications of sign noncompliance; and

The Planning Department developed an updated timeframe to allow for successful implementation of the amortization process and provide property owners with adequate time to bring nonconforming signs into compliance; and

In addition, the Planning Department completed a thorough review of Ordinance 4900 to determine whether the sign regulations were content neutral, in response to the ruling of the United States Supreme Court case *Reed v. Town of Gilbert*, and identified amendments to remove content based regulations; and

The draft amendments to Chapter 17.62 were presented to the Planning Commission at a public hearing held on October 20, 2016, after due notice had been published in the "News Register" and after due notice was provided to the Oregon Department of Land Conservation and Development (DLCD) not less than 35 days prior to the public hearing; and

Following the close of the public hearing and subsequent deliberation, the Commission voted unanimously to forward a recommendation to the City Council for approval of the proposed amendments to Chapter 17.62 of the McMinnville Zoning Ordinance as presented by staff, with two revisions as recommended by the Commission.

Now, Therefore, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE
ORDAINS AS FOLLOWS:

1. The provisions set forth in the Attached Exhibit 1, which are incorporated by this reference, are hereby adopted.
2. This Ordinance shall take effect on December 8, 2016.

Passed by the Council this 8th day of November 2016, by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of November, 2016.

Effective Date: December 8th, 2016.

COUNCIL PRESIDENT

Attest:

Approved as to form:

CITY RECORDER



CITY ATTORNEY

Exhibit 1

PROPOSED AMENDMENTS TO THE MCMINNVILLE MUNICIPAL CITY CODE

New proposed language is represented by **bold underline font**, deleted language is represented by ~~strikethrough font~~.

Section 17.62.070(F) (Permanent Sign Regulations)

-
- F. ~~Menu Board~~**Drive-up Service** Signs. ~~Freestanding menu board signs are~~**Additional freestanding signs are** permitted on properties ~~for~~**with** businesses that employ drive-up service. One such ~~menu board sign~~, not to exceed 36 square feet in area or six feet in height, is allowed per drive-up order station. In addition, one secondary ~~menu board sign~~, a maximum of 15 square feet in area and five feet in height, is allowed per drive-up order station. Any freestanding ~~menu board~~**sign** that has copy facing toward a public street shall be located a minimum of thirty (30) feet from that street's property line. Wall mount ~~menu board~~ signs shall be exempt from this requirement. (Ord. 4935 §1, 2011; Ord. 4912 §3 2009)

Section 17.62.110 Nonconforming Signs

- A. The following provision will require that a nonconforming sign be brought into compliance with this chapter: physical modification of a nonconforming sign or any action on a nonconforming sign that requires a building permit. This does not include replacement of a sign face without modification of the frame or general sign maintenance and repair.
- B. All temporary or portable signs not in compliance with the provisions of this code shall be removed or made compliant immediately following adoption of this ordinance.
- C. Amortization. Any freestanding, roof, or animated sign which was lawfully established before **January 1, 2009**,~~the adoption date of this ordinance~~, but which does not conform with the provisions of this ordinance, shall be removed or brought into conformance with this ordinance **by no later than December 31, 2017**,~~within eight (8) years from the date of its adoption~~, or at the time of occurrence of any of the actions outlined in provision 'A' above.
- D. **Notice of Sign Noncompliance.** Notice of sign noncompliance will be mailed to affected property owners **prior to taking enforcement action pursuant to Section 17.62.130 of this chapter. For those signs impacted by 17.62.110 (C) of this chapter, notice of noncompliance will be mailed to affected property owners**~~following the adoption of this ordinance and again no later than~~ **six months**~~one year~~ prior to the end of the amortization period, **and again prior to taking enforcement action pursuant to Section 17.62.130 of this chapter.**
- E. **Appealing a Notice of Noncompliance. Any owner of property on which a nonconforming sign is located may appeal a Notice of Sign Noncompliance issued pursuant to Section 17.62.110(D) within 60 days of the mailing date of such Notice by:**
1. **Submitting evidence of sign compliance to the Planning Department. The Planning Director shall determine whether the evidence submitted proves sign compliance, and the Director has the authority to dismiss a Notice of Sign Noncompliance. All decisions made by the Director may be appealed to the Planning Commission; or**
 2. **Submitting an application for an Exception pursuant to Section 17.62.120 to the Planning Department; or**

3. Submitting an application for an administrative variance pursuant to Sections 17.72.020 to the Planning Department; or
 4. Submitting an application for a variance pursuant to Section 17.72.020 to the Planning Department.
- F. The failure to appeal a Notice of Noncompliance pursuant to the provisions of this Section, shall preclude the owner from raising any issue addressed by Section 17.62.120 (B) or (C) as a defense to the enforcement of this ordinance.

Section 17.62.120 Exceptions

- A. Applications for an Exception shall be heard by the The Planning Commission, which may authorize exceptions from the requirements of this chapter where it can be shown that, owing to special and unusual circumstances related to a specific piece of property, strict application of this chapter would cause an undue or unnecessary hardship as set forth in subsections (B) and (C) of this Section, except that no exception shall be granted pursuant to subsection (B) of this Section to allow a sign or a type of signage which is prohibited by Section 17.62.050 of this chapter. In granting an exception the Commission may attach conditions which it finds necessary to protect the best interests of the surrounding property or neighborhood or otherwise achieve the purposes of this chapter.
- B. ~~A.~~ An exception may be granted if the property owner establishes that:
1. An exception is necessary to prevent an unnecessary hardship due to factors such as topography, location, surrounding development, lot shape or lot size; and
 2. The granting of the exception will not result in material damage or prejudice to other property in the vicinity; and
 3. The request will not be detrimental to community standards and the appearance of the city.
- C. An exception may be granted if the property owner establishes that the strict enforcement of the ordinance will either:
1. Deny the owner of all economically viable use of the property on which the sign is located; or
 2. Substantially interfere with the owner's use and enjoyment of the property on which the sign is located.
- D. ~~B.~~ Exceptions shall not be granted for the convenience of the applicant or for the convenience of regional or national businesses which wish to use a standard sign size.
- E. ~~C.~~ The City Council shall stand as an appeal board. An appeal from a ruling of the Commission must be filed within fifteen (15) days of the date said ruling is rendered.

City of McMinnville
Planning Commission
Regular Meeting

October 20, 2016
6:30 p.m., McMinnville Civic Hall
McMinnville, Oregon

Excerpted Draft MINUTES

Members Present: Chair Wendy Stassens, Vice Chair John Tidge, Commissioners Martin Chroust-Masin, Zack Geary, Roger Hall, Charles Hillestad, Jack Morgan, and Nanette Pirisky

Members Absent: Commissioner Erica Thomas

Staff Present: Chuck Darnell – Associate Planner, David Koch, - City Attorney, Heather Richards – Planning Director, and Sarah Sullivan – Permit Technician.

1. Call to Order

Chair Stassens called the meeting to order at 6:30 p.m. and called for any citizen comments. There were none.

.....

4. Public Hearing (Legislative): G 1-16

Request: The City of McMinnville is proposing to amend Chapter 17.62 (Signs) of the McMinnville Zoning Ordinance to add provisions related to the time period for providing notice of sign noncompliance, deadlines for property owners to appeal such notice and request an exception, additional grounds for granting an exception to the enforcement of the sign ordinance, and amendments to remove content-based sign regulations.

Applicant: City of McMinnville

Chair Stassens opened the public hearing at 6:35 p.m. She called for abstentions, objection to jurisdiction, and disclosures. There were none.

Chair Stassens asked for the staff report and recommendations.

Associate Planner Chuck Darnell introduced himself to the Commissioners as the newest member of the Planning Department. Mr. Darnell explained the proposed amendments to the Sign Ordinance, specific to the amortization and content neutrality. He gave a brief summary of the original ordinance adopted in 2008.

Mr. Darnell explained the original amortization period and the reasoning for the need to extend the deadline, specific to staff numbers, resources available to conduct a survey of non-conforming signs, and notice to the property owner not being sent. He stated that the change would allow for a survey to be conducted for non-compliance signs and a notice to be sent to property owners, which would then provide them with six (6) months to bring non-compliant signs into compliance.

Mr. Darnell also noted that there would be an exemption process, allowing property owners to demonstrate their sign is in compliance with the regulations of the Sign Ordinance. He said that based on the exemption request, the review could either be done by the Planning Director or would be heard before the Planning Commission.

Mr. Darnell stated the last amendment would be regarding content neutrality, citing "Reed vs City of Gilbert." He stated that the amendments to this reference were minor, rephrasing "Menu Board" with "Drive-up Services" and allowing additional free standing signs for business with Drive-up services, which he explained ties the regulation to the use, not the message.

Chair Stassens asked if there were any questions for staff.

Commissioner Hilestad asked City Attorney David Koch about the reasoning for amending the amortization period and why notice is required.

Mr. Koch explained that way part of the original ordinance approved in 2008 and the procedures and requirements still apply.

Discussion ensued regarding the purpose of changing “menu board” to “drive-up service” and the number of signs allowed.

Commissioner Hillestad expressed his concern regarding the term “drive-up order station” and the definition. He suggested adding the wording **drive up** in front of order station within the “Drive-up Services” section.

Some additional discussion occurred regarding the Planning Director’s approval of sign exemption requests, the allowance of school and church signs within residential neighborhoods, and the priority in terms of work load for the Planning Department to complete the inventory and notification of non-compliant signs.

Chair Stassens asked if anyone in the audience would like to speak.

Jared Miller, 914 SE Ford Street, thanked staff and Mr. Koch for providing an explanation to the changes.

Chair Stassens asked if there were any questions for Mr. Miller. There were none.

Chair Stassens closed the public hearing at 7:00 p.m.

Chair Stassens asked if the Commissioner’s would like to discuss the amendments and proposed changes by Commissioner Hilestad, which was to add the words **drive-up** in front of order station within Section 16.62.070(F).

Commissioner Morgan MOVED to recommend that, based on the testimony and materials submitted, the amendments proposed, and the addition of **drive-up** in front of *order station* within Section 16.62.070(F), the City Council approve the proposed amendments.

SECONDED by Commissioner Hall. The motion PASSED unanimously.

DRAFT



City Council- Regular

Meeting Date: 11/08/2016

Subject: Ordinance amending Chapter
17.64.040(A)(6) (Marijuana Related
Activities)

Submitted For: Heather Richards, Planning Director

From: Heather Richards, Planning Director

AGENDA ITEM:

Ordinance No. 5014: Amending Chapter 17.64.040(A)(6) (Marijuana Related Activities - Performance Standards) of the McMinnville Zoning Ordinance to add a reference to the OAR definition of "school", and to delete the reference to "state licensed preschool".

BACKGROUND:

The McMinnville City Council adopted Chapter 17.64 (Marijuana Related Activities) as part of the McMinnville Zoning Ordinance (ORD No. 3380) in December, 2015. In the course of applying this new zoning ordinance chapter, there has surfaced an interest in amending the regulations specifically with regard to locational regulations.

In June of 2016, the City Council directed the Planning Department to initiate a legislative process to consider amending this chapter to remove the term "state licensed preschool."

At a public meeting held on September 15, 2016, the Planning Commission participated in a work session to consider this, and other, possible amendments. At the work session, the Commission directed staff to draft two specific chapter amendments for public review and comment as follows:

1. Add a reference to the Oregon Administrative Review definition of "school," and
2. Remove the term "state licensed preschool" from the portion of the chapter related to buffers from marijuana related facilities.

On October 20, 2016, the Planning Commission hosted a public hearing to consider the proposed text amendments and voted unanimously to recommend the proposed text amendments to the McMinnville City Council for consideration.

FISCAL IMPACT:

There is no anticipated fiscal impact with this text amendment.

RECOMMENDATION:

Staff recommends approval of Ordinance No. 5014.

Ordinance No. 5014

Draft PC Minutes

ORDINANCE NO. 5014

An Ordinance amending Chapter 17.64.040(a)(6) (marijuana related activities – performance standards) of the McMinnville Zoning Ordinance to add a reference to the Oregon Administrative Rule definition of “school”, and to delete the reference to “state licensed preschool”.

RECITALS:

The McMinnville City Council adopted Ordinance 5000 on December 22, 2015, that, in part, established that medical marijuana dispensaries and/or commercial recreational facilities may not be located within 1,000 feet of a state licensed preschool; and

The term “state licensed preschool” lacks clear definition in State law and Oregon Administrative Rule. Accordingly, the ability to administer and enforce this particular provision of Chapter 17.64 of the McMinnville Zoning Ordinance is compromised and left open to challenge; and

That on June 14, 2016, the City Council directed the Planning Department to initiate a legislative process to consider modifying Chapter 17.64 of the McMinnville Zoning Ordinance (ORD No. 3380) to remove the term “state licensed preschool”; and

The draft amendment to Chapter 17.64 was presented to the Planning Commission at a public work session held on September 15, 2016. The Commission indicated support for the proposed amendment in addition to adding an Oregon Administrative Rule (OAR) reference relative to the definition of “school” and directed staff to schedule a public hearing on the proposed amendments; and

The draft amendments to Chapter 17.64 were presented to the Planning Commission at a public hearing held on October 20, 2016, after due notice had been published in the “News Register” and after due notice was provided to the Oregon Department of Land Conservation and Development (DLCD) not less than 35 days prior to the first evidentiary hearing. No public testimony was provided at the public hearing in response to the proposed changes; and

That following the close of the public hearing and subsequent deliberation, the Commission voted unanimously to forward a recommendation to the City Council for approval of the proposed amendments to Chapter 17.64 of the McMinnville Zoning Ordinance as presented by staff.

Now Therefore, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

1. The provisions set forth in the Attached Exhibit 1, which are incorporated by this reference, are hereby adopted.
2. That this Ordinance shall take effect on December 8, 2016.

Passed by the Council this 8th day of November, 2016, by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of November, 2016.

COUNCIL PRESIDENT

ATTEST

Approved as to Form:

CITY RECORDER



CITY ATTORNEY

Exhibit 1

PROPOSED AMENDMENTS TO THE MCMINNVILLE MUNICIPAL CITY CODE

New proposed language is represented by **bold underline font**, deleted language is represented by ~~strikethrough font~~.

Section 17.64.040(6) (Marijuana Related Activities – Performance Standards).

Medical marijuana dispensaries and/or commercial recreational facilities may not be located within 1,000 feet of the following:

- a. ~~Public, private or parochial elementary or secondary~~ School **as defined by OAR 333-008-1110(2)**.
- b. McMinnville public library, community center, or aquatic center.
- c. ~~State licensed preschool.~~

City of McMinnville
Planning Commission
Regular Meeting

October 20, 2016
6:30 p.m., McMinnville Civic Hall
McMinnville, Oregon

Excerpted Draft MINUTES

Members Present: Chair Wendy Stassens, Vice Chair John Tidge, Commissioners Martin Chroust-Masin, Zack Geary, Roger Hall, Charles Hillestad, Jack Morgan, and Nanette Pirisky

Members Absent: Commissioner Erica Thomas

Staff Present: Chuck Darnell – Associate Planner, David Koch, - City Attorney, Heather Richards – Planning Director, and Sarah Sullivan – Permit Technician.

1. Call to Order

Chair Stassens called the meeting to order at 6:30 p.m. and called for any citizen comments. There were none.

.....

5. Public Hearing (Legislative): G 2-16

Request: The City of McMinnville is proposing to amend Section 17.64.040(A)(6) (Marijuana Related Activities – Performance Standards) of the McMinnville Zoning Ordinance to add a reference to the Oregon Administrative Rule definition of “school,” and to delete the reference to “state licensed preschool.”

Applicant: City of McMinnville

Chair Stassens opened the public hearing at 7:03 p.m. She called for abstentions, objection to jurisdiction, and disclosures. There were none.

Chair Stassens asked for the staff report and recommendations.

Planning Director Heather Richards explained that the changes to the ordinance reflected the discussion from the September work session. She stated that she would like to add one more suggested amendment to the text amendment represented in the staff report, relevant to Section 17.064.40(A)(6)(a) and that was to delete "*Public, private or parochial elementary or secondary*" so that the final recommended amended text would say "School as defined by Oregon Administrative Rules 333-008-1110(2)". She explained that this will allow the state to amend the definition of School, without the City having to amend its ordinances. Ms. Richards also noted the removal of "State Licensed Preschool" from the ordinance.

Chair Stassens asked if any members of the audience wished to speak. There were none.

Chair Stassens closed the public hearing at 7:05 p.m.

Chair Stassens asked the Commissioners if they wished to discuss the amendments. All were in agreeance with the proposed amendments.

Commissioner Morgan MOVED to recommend that, based on the testimony and materials submitted, the amendments proposed, and the strikethrough of *Public, private or parochial elementary or secondary*, the City Council approve the proposed amendments.

SECONDED by Commissioner Hall. The motion PASSED unanimously.



City Council- Regular

Meeting Date: 11/08/2016

Subject: Resolution establishing reduced permit fees (building and planning) for affordable housing projects.

Submitted For: Heather Richards, Planning Director

From: Heather Richards, Planning Director

AGENDA ITEM:

Resolution No. 2016-81: A Resolution establishing reduced permit fees (building and planning) for affordable housing projects.

BACKGROUND:

Resolution No. 2016-81 will provide a 50% fee reduction in building and planning permitting fees for qualified affordable housing projects. This is a recommendation of the McMinnville Affordable Housing Task Force.

This Resolution was presented and discussed at the October 1, 2016, McMinnville City Council meeting. At that time, the City Council asked why the payback provision was only five years if the total exemption package (systems development charges and permitting fees) could add up to approximately \$10,000 per dwelling unit. City Council asked staff to bring the question back to the Affordable Housing Task Force for consideration and a final recommendation to the City Council.

On October 26, 2016, the Affordable Housing Task Force reconvene to evaluate the five year payback provision, and after some discussion voted to recommend a ten-year payback provision based upon the City Council's concerns that \$10,000 was a significant amount to forgive over a five year time period and that the McMinnville Habitat for Humanity had a program that forgave the second mortgage on one of their homes after ten years.

Resolution No. 2016-81 contains that revised recommendation from the McMinnville Affordable Housing Task Force.

FISCAL IMPACT:

The permitting fees reductions represent foregone revenue to the City of McMinnville that would normally be collected to help provide the building and planning programs. Since there is a built-in annual maximum threshold of \$75,000 in the program (including SDC exemptions and permitting fees), the following table represents the approximate maximum impact to city projects and programs without further city council action.

Total						
-------	--	--	--	--	--	--

Total Foregone Revenue	Transportation SDCs	Sewer SDCs	Parks SDCs	Building Program	Planning Program
\$75,000	(\$18,304)	(\$22,960)	(\$16,944)	(\$14,000)*	(\$2,792)*

*Estimate

RECOMMENDATION:

Staff recommends adoption of Resolution No. 2016-81.

Attachments

Resolution No. 2016-81

RESOLUTION NO. 2016 - 81

A Resolution establishing reduced permit fees (building and planning) for affordable housing projects.

RECITALS:

The City of McMinnville understands the value and need for affordable housing in the City of McMinnville: and

The McMinnville City Council would like to increase the availability of affordable housing for low and no-income residents of the City of McMinnville; and

The City of McMinnville created a McMinnville Affordable Housing Task Force on April 26, 2016 with Resolution No. 2016-20; and

The City of McMinnville is able to reduce the costs of building affordable housing by reducing the amount of permit fees required; and

The McMinnville Affordable Housing Task Force after careful consideration and evaluation recommends the reduction of permit fees by 50% to help enable the development of affordable housing in the City of McMinnville.

NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

Section 1. That permit fees (building and planning) for new or remodel housing construction projects be reduced by 50% that meet the following criterion:

- a. Housing for low-income persons which is exempt from real property taxes under state law. Applicants will need to provide proof of qualification at the time of application.
- b. Owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the Area Median Income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development. Income levels will need to be certified and provided by the applicant at the time of application.
- c. Homeless Shelter Developments.
- d. If the project has units that do not qualify for the reduction or a commercial component, the reduction will be based on a percentage of the total permit fee.

Section 2. The annual allocation to affordable housing reductions will not exceed \$75,000 (including SDC exemptions) unless it is approved by action of the McMinnville City Council.

Section 3. Upon issuance of the certificate of occupancy, the city shall record the certificate of exemption documenting the date and amount of the reduction with the Yamhill County Recorder's office.

Section 4. In the event the property for which a reduction is granted ceases to be utilized for housing for low-income persons within ten years from the date the certificate of exemption is recorded, the person to whom the reduction was granted shall be required to pay to the city the amount of the reduced permit fees.

Section 5. That this policy shall be reviewed by the City Council no later than three years from its adoption to ensure it remains an effective tool for encouraging affordable housing in McMinnville while also balancing the needs of McMinnville's development programs.

Section 6. This Resolution shall take effect January 1, 2017, and shall continue in full force and effect until revoked or replaced.

Passed by the Council this 8th day of November, 2016 by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of November, 2016.

COUNCIL PRESIDENT

Approved as to form:



CITY ATTORNEY



City Council- Regular

Meeting Date: 11/08/2016

Subject: Resolution No. 2016-82

From: Melissa Grace, City Recorder / Legal
Assistant

AGENDA ITEM:

Resolution No. 2016-82: A Resolution adopting a Supplemental Budget for fiscal year 2016-2017 and making supplemental appropriations for the City of McMinnville loan to McMinnville Urban Renewal Agency.

BACKGROUND:

Attachments

Resolution No. 2016-82

RESOLUTION NO. 2016 -82

A Resolution adopting a Supplemental Budget for fiscal year 2016-2017 and making supplemental appropriations for the City of McMinnville loan to McMinnville Urban Renewal Agency.

RECITALS:

On April 14, 2015, the City of McMinnville (City) and the McMinnville Urban Renewal Agency (Agency) entered into an intergovernmental agreement (IGA) authorizing the City to assist the Agency in planning and carrying out the Urban Renewal Plan by providing administrative and developmental services necessary and proper for carrying out the Agency's functions. In addition, the IGA provides that the City may loan money and provide other forms of financial assistance to the Agency in order to assist in carrying out the Urban Renewal Plan.

On September 27, 2016, the City Council adopted Ordinance No. 5011 authorizing a full faith and credit borrowing in an amount not to exceed \$2,200,000 for the purpose of financing a project described in the McMinnville Urban Renewal Plan. Ordinance No. 5011 also authorized the City to enter into an IGA with the Agency, under which the Agency agrees to provide tax increment revenues in sufficient amounts to make all debt service payments on the debt issued by the City.

On October 31, 2016, the City intends to execute an agreement with JPMorgan Chase Bank, NA, for approximately \$2,198,000, with \$2,163,000 in loan proceeds for project related costs and approximately \$35,000 for issuance costs. Upon execution of the agreement with JPMorgan Chase Bank, NA, and per the provisions of the IGA adopted by Ordinance No. 5011, the City will loan the bank placement proceeds of \$2,198,000 to the Agency to finance the costs of a street improvement project along Alpine Avenue, which is within the Urban Renewal District, and to pay costs related to issuance of the debt. The All-in-True Interest Cost for the urban renewal debt is 2.21 percent.

The City's adopted budget for fiscal year 2016-2017 included appropriations of \$2,022,000 for the estimated cost of the project and issuance costs. However, project related and issuance costs are expected to exceed the costs that were anticipated at the time the fiscal year 2016-2017 budget was adopted.

Therefore, a supplemental budget for fiscal year 2016-2017 is necessary to increase the appropriation in the City's General Fund, Non-Departmental Department to allow disbursement of the additional loan proceeds to the Agency.

Now, Therefore, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, as follows:

1. **Adopt the following Supplemental Budget:** The City Council of the City of McMinnville adopts the following Supplemental Budget for fiscal year 2016-2017 in the General Fund, Non-Departmental Department.

2. **Make Supplemental Appropriations:** The additional appropriations for fiscal year 2016-2017 are hereby appropriated, as follows:

General Fund, Non-Departmental Department, Special Payments appropriation is created to allow disbursement of the additional \$163,000 in loan proceeds to the Urban Renewal Agency.

<u>General Fund:</u>	<u>Adopted Budget</u>	<u>Budget Adjustment</u>	<u>Amended Budget</u>
Resources:			
Beginning Fund Balance	\$ 7,097,365		\$ 7,097,365
Property Taxes	11,931,000		11,931,000
Licenses and Permits	2,488,050		2,488,050
Intergovernmental	1,712,212		1,712,212
Charges for Services	1,401,727		1,401,727
Fines and Forfeitures	558,200		558,200
Miscellaneous	353,081		353,081
Transfers In	1,430,875		1,430,875
Other Financing Sources	2,022,000	163,000	2,185,000
Total Resources	<u>\$28,994,510</u>	<u>163,000</u>	<u>\$29,157,510</u>
General Fund:			
Requirements:			
Administration	\$ 1,107,286		\$ 1,107,286
Finance	751,854		751,854
Engineering	903,100		903,100
Planning	549,251		549,251
Police	7,613,385		7,613,385
Municipal Court	466,343		466,343
Fire	2,929,453		2,929,453
Parks & Recreation	2,536,131		2,536,131
Park Maintenance	1,181,630		1,181,630
Library	1,464,403		1,464,403
Non-Departmental (Not allocated to Department or Program):			
Materials & Services	-----		-----
Special Payments	2,064,330	163,000	2,227,330
Debt Service	150,125		150,125
Transfers Out	1,810,155		1,810,155
Contingency	900,000		900,000
Ending Fund Balance	4,567,064		4,567,064
Total Requirements	<u>\$28,994,510</u>	<u>163,000</u>	<u>\$29,157,510</u>

This resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the City Council of the City of McMinnville at a regular meeting held the 8th day of November, 2016 by the following votes:

Ayes: _____

Nayes: _____

Approved this 8th day of November, 2016.

COUNCIL PRESIDENT

Approved as to form:



CITY ATTORNEY