

CITY OF McMinnville
MINUTES OF WORK SESSION
of the McMinnville City Council
Held at the McMinnville Community Center
McMinnville, Oregon

Tuesday, May 28, 2019 at 5:00 p.m.

Presiding: Kellie Menke, Council President

Recording Secretary: Melissa Grace

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	Adam Garvin
	Zack Geary	Scott Hill, Mayor
	Sal Peralta	
	Wendy Stassens	

Also present were City Manager Jeff Towery, City Attorney David Koch, Fire Chief Rich Leipfert, Human Resources Manager Kylie Bayer-Fertterer-Fertterer, Information Systems Director Scott Burke, Library Director Jenny Berg, Planning Director Heather Richards, Police Chief Matt Scales, and members of the News Media – Dave Adams, KLYC Radio, and Tom Henderson, *News Register*.

1. CALL TO ORDER: Council President Menke called the meeting to order at 5:20 p.m.
2. DEBRIEF OF TRAINING BY RYAN DOWD – THE LIBRARIAN’S GUIDE TO HOMELESSNESS

Ryan Dowd, Executive Director of Hesed House, shared the history of the homeless shelter in Aurora, Illinois.

Discussion ensued regarding federal funding and Continuum of care.

Mr. Dowd suggested focusing on one subpopulation initially.

Discussion ensued regarding the importance of partnerships.
3. ADJOURN: The meeting adjourned at 5:40 p.m.

s/s Melissa Bisset
Melissa Bisset, City Recorder

CITY OF McMinnville
MINUTES OF WORK SESSION
of the McMinnville City Council
Held at the McMinnville Community Center
McMinnville, Oregon

Tuesday, May 28, 2019 at 5:45 p.m.

Presiding: Kellie Menke, Council President

Recording Secretary: Melissa Grace

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	Scott Hill, Mayor
	Wendy Stassens	
	Sal Peralta	
	Zack Geary	
	Adam Garvin	

Also present were City Manager Jeff Towery, City Attorney David Koch, Fire Chief Rich Leipfert, Human Resources Manager Kylie Bayer-Fertterer-Fertterer, Information Systems Director Scott Burke, Library Director Jenny Berg, Planning Director Heather Richards, Police Chief Matt Scales, and members of the News Media – Dave Adams, KLYC Radio, and Tom Henderson, *News Register*.

1. CALL TO ORDER: Council President Menke called the meeting to order at 5:47 p.m.
2. PEOPLE WITHOUT HOMES
- 2.a DONOR ADVISED FUND THROUGH OREGON COMMUNITY EDUCATION

Jenn Columbus, Oregon Community Foundation (OCF) Philanthropic Advisor and Regional Director explained the purpose of the Oregon Community Foundation. She stated that community foundations provided grant making to improve the lives of people in a defined community. Their vision was for a healthy, thriving, sustainable Oregon and mission was to improve the lives of all Oregonians through the power of philanthropy. She described the various types of funds that offered ways to serve this mission. She explained that donors gave an asset (most commonly cash) and OCF would accept the asset and advise the donors on the options and what they wanted to focus on. A Donor Relations Officer was then assigned to the donor. She stated that what the City was doing was unique in identifying a community priority and looking for ways to move

forward. In this situation, OCF would be a way to bring dollars together and hold those dollars until the time they were ready to invest in the next steps. Partnering with OCF would give them that flexibility and time. With a donor advised fund they could start with a gift of \$5,000 or more, but the fund must reach \$25,000 before grant making could begin. They may recommend grants to qualified nonprofit public charities, religious institutions, and governmental entities. Funds could be endowed or fully exhausted over a period of time. They would have 1-3 advisors to the fund who would work directly with OCF staff to recommend grant distributions. Each OCF fund worked closely with a Donor Relations Officer who would provide ongoing information and technical assistance. OCF brought together generous Oregonians to transform individual philanthropy into sustained, community-driven impact.

Council President Menke explained that this was an option and an avenue to explore in helping with the homeless crisis in McMinnville. She asked what the investment return would be for a fully expendable option.

Ms. Columbus clarified that there was a fully expendable fund where it could be completely exhausted or a permanently endowed option where it was co-invested with other donors. The fully expendable option had very minimal returns because they needed access to expend the money at any time.

Councilor Stassens asked what kind of fees were involved in the management of the funds. Ms. Columbus explained that OCF charged an annual fee of just under 1% up to the first \$2,000,000.00.

Councilor Stassens asked if the only limitation on the use of the fund was established by the donor or donors that started the fund. Ms. Columbus said that was correct unless the organization was unable to receive the funds and in that case OCF would work the organization to get it back in good standing.

Councilor Stassens liked the idea for others to participate. It was very organized and they would be able to utilize the knowledge of OCF on distributing the funds effectively. It also gave them the opportunity to have more resources available to do more for the benefit of the community.

Councilor Drabkin stated that it seemed like a lot of possibility but she was thinking about YCAP, Habitat for Humanity, St. Barnabas, and other organizations that were already serving the community and had independent fundraising. It was a positive to have a consolidated effort but she also did not want to draw from their funding. She would like to have a lot more information before pursuing anything.

Councilor Geary also thought there needed to be more information and discussion. He was not terribly excited about the option, but appreciated the potential efficiencies.

Council President Menke stated that the idea was not taking money away from other organizations, but to help supplement and meet the goals of the Affordable Housing Task Force.

Councilor Garvin was open to the idea, but thought more information was needed. It would bring the funds together so there was no redundancy in the community. He thought it would take some money from other organizations and would look similar to how Love, Inc. operated in Newberg. It looked more positive than negative.

Councilor Peralta also wanted more information. Love, Inc. in Newberg seemed to be a good model.

There was consensus to direct staff to come back with suggestions on how the City could use this option as well as to get recommendations from the Affordable Housing Task Force.

2.b.

LOW BARRIER SHELTER CONCEPT

City Manager Towery presented. Low barrier shelters were based on a Housing First program which meant that before anyone could access treatment for addiction, mental health, or any other chronic issue they needed a safe and secure shelter. He stated that low barrier shelters had some success in some communities and not in others. He asked the Council a series of questions to lead the discussion. These included:

- Who is the shelter serving?
- How does the shelter respond to community need?
- Is this the best solution given the need and resources?
- Who will operate the shelter?
- What is the sustainable operating revenue for the shelter?
- What is the minimum standard for participation?
- Are there other communities of similar size to McMinnville with similar resources that have successful low barrier shelters? What can we learn from them?
- Are there other communities of similar size to McMinnville with similar resources that have not had successful low barrier shelters? What went wrong and what can we learn from them?

- Do Low Barrier Shelters work well in communities with limited shelter opportunities? Is it a safe environment for vulnerable populations – women, children, disabled?
- What does success look like?

Council President Menke stated when they discussed this possibility in the Affordable Housing Task Force meeting, they did not think there was enough information and direction about how to proceed.

Councilor Drabkin explained one of the first things the Affordable Housing Task Force did was exempt non-profit affordable housing builders from SDC fees. They had looked at what other communities were doing and brought back a recommendation to Council with something that would work for the City. It was considered a well vetted conversation and well researched recommendation. The concept of low barrier shelters was not one that originated in the Affordable Housing Task Force, but was an idea started as a conversation at the City Council. If this was something that the Council would like the Affordable Housing Task Force to research, they would be happy to do so. They were not at the point of being able to bring forth a recommendation at this time. They would like the opportunity and time if this was what the Council and community wanted. In the staff report, the two concepts of low barrier shelters and their recent recommendation were linked, but she wanted to separate them. They were happy to do the work in researching the program, but their recommendation was related to a program that already existed but had not been made robust enough to make it effective, which was the safe overnight parking program. This program allowed 1-3 vehicles at one location but no more than three at one location. The sites were managed by a non-profit partner called Champion Team who was funded through a grant from Oregon Housing and Community Services. The City was not spending any tax payer money and the grant was conditional on activating a certain number of sites. At the last Council meeting it was said that this program was not working. She disagreed and thought that the program was not working enough. In the City there were 10 private property owners using the ordinance as intended. There was also one City site and in the first 30 days of someone staying there they were able to gain employment. The Affordable Housing Task Force recommendation was to continue to support the program. They were also asking for additional sites so that Champion Team could maintain its funding. This program allowed for discreet installations throughout the City of McMinnville, but it would take community support. They were not only asking the City Council to direct staff to identify additional properties, they were also asking community members to do the same. She met with the County

Commissioners and had a conversation about providing additional sites. They had community members signed up to host community gatherings to give out accurate information about this program. Community members also signed up to go to businesses and ask if they would be willing to participate and some signed up to present the program to their service clubs. This program had a 20 year track record of helping people transition from being without homes to being housed. That was how they viewed the program, a transitional housing program. If this program was robust enough and there were enough sites the current ordinances would be enforceable. The conversation had come up that this was enabling people to move here and be homeless. This program had a strict code of conduct and behavioral agreement. It targeted people who were trying to change their situation and were seeking employment. Without the stability of a safe place they could be every night it was a struggle to do so. She asked Council to direct staff to designate safe overnight camping places. The locations would be outfitted with a porta potty and garbage and there was no storage outside of the vehicle. It was at zero cost to taxpayers.

Council President Menke said the City already had four sites in mind, and there had been discussion on others.

Councilor Peralta thanked Councilor Drabkin for her work on the Task Force and outside of the Task Force. He asked about the locations the City had in mind, costs, and the continuity of the funding stream.

Councilor Drabkin stated that the locations had not been disclosed because they did not want people to be harassed. The City sites operated from dusk to dawn as safe, dependable places to be at night. Code Enforcement checked in on these sites. Tax payers were not paying for the porta potties or garbage. The garbage service was provided by Recology. They had both the Oregon Housing and Community Services grant and businesses that had pledged a year of garbage service for one or two sites. This was a pilot program.

Councilor Peralta asked if there had been any incidents at the 11 current locations. In terms of cost effectiveness, Lane County did a lot of research on low barrier shelter options, and most were \$1.6 million for a 50-75 person unit, which was about \$21,000 per person.

Councilor Drabkin stated that there were 10 unmanaged sites meaning they had a family member or a friend who had access to an RV and were being allowed to live in an RV on their property. This would not have been allowed prior to the passage of Ordinance 5057. They had one managed site and she was asking for additional managed sites. She was asking for those sites because the grant funding was dependent upon

having a certain number that were active within the next couple of weeks. There was the potential for five additional sites within the City that would accommodate enough vehicles to secure the grant funding. There was another government entity that had pledged an additional site and one faith based community that was in discussion about a potential site and one private business owner who was ready to move forward with a site. Those were not active yet, and they needed the additional City sites in order to secure the grant funding.

Councilor Peralta asked about the process for how the applicants were screened.

Councilor Drabkin stated that the property owners could put whatever restrictions they wanted. She provided an example of a location at an industrial site where the property owner wanted someone who had animals and they helped stop the theft that was occurring. The behavioral contract could include any number of specifications. It was up to Champion Team to screen the applicants and make a good match of the site and the person using the site. The sites were not permanent and the property owner could choose to terminate the contract at any time.

Council President Menke asked about other positive outcomes of this program.

Councilor Drabkin stated she had heard about foreclosed or unoccupied properties and having the presence of someone there acted as a natural deterrent for crime. The people in these programs tended to have a great desire to maintain their ability to stay in that location and not allowing others to congregate in their area. They were keeping their areas clean. She noted that there was no exchange of money or services which was a protection for the property owner in that they were not becoming a landlord. The biggest benefit was that it allowed someone to get a job, get an apartment, get their child to school, and that people could participate in the community beyond basic survival needs.

Councilor Stassens asked about the rules that were in place to make sure these sites were transitional and not long term housing.

Councilor Drabkin explained each property owner was not only able to say what their requirements were and could set terms, they could also put time restrictions. The property owner maintained the right to end participation in the program at any time. The program that this was modeled after had been in place for 20 years and had 70 functional sites and she had only heard of one instance where someone had to be forcibly removed from a property.

Councilor Stassens asked if Champion Team helped people move through the process so the site could be available for someone else who was in need.

Councilor Drabkin responded that if someone did not follow the contract for the site, Champion Team would automatically remove that person and give it to someone else. Champion Team also did regular check ins and helped the families get to the services. They were receiving the grant funding through YCAP and there was already a flow that was happening from Champion Team to YCAP.

Councilor Drabkin stated that this wasn't a fix-all but it was part of the solution.

2.c.

COMMUNICATION ACROSS BARRIERS

City Manger Towery discussed the opportunity for community training with Communication Across Barriers. This was developed about 20 years ago by Dr. Donna Beagle. It provided a research based model to assist people on how to move out and stay out of poverty. If the Council was interested, he would work with other community organizations to co-sponsor an event in McMinnville.

Council President Menke shared that Ryan Dowd performed a three hour training earlier today. This was another opportunity to provide information regarding the homeless issue.

There was consensus to direct staff to schedule training with Dr. Donna Beagle.

3.

ADJOURN: The meeting adjourned at 6:46 p.m.

s/s Melissa Bisset
Melissa Bisset, City Recorder

CITY OF McMinnville
MINUTES OF REGULAR MEETING
of the McMinnville City Council
Held at the McMinnville Community Center
McMinnville, Oregon

Tuesday, May 28, 2019 at 7:00 p.m.

Presiding: Kellie Menke, Council President

Recording Secretary: Melissa Grace

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	Scott Hill, Mayor
	Adam Garvin	
	Zack Geary	
	Sal Peralta	
	Wendy Stassens	

Also present were City Manager Jeff Towery, City Attorney David Koch, Community Development Director Mike Bisset, Fire Chief Rich Leipfert, Human Resources Manager Kylie Bayer-Fertterer-Fertterer, Information Systems Director Scott Burke, Library Director Jenny Berg, Planning Director Heather Richards, Police Chief Matt Scales, and members of the News Media – Dave Adams, KLYC Radio, and Tom Henderson, *News Register*.

1. CALL TO ORDER: Council President Menke called the meeting to order at 7:00 p.m.
2. INVITATION TO CITIZENS FOR PUBLIC COMMENT: Council President Menke invited the public to comment.

Alan Cain, discussed the issue of homeless children. He was running under the assumption that there were offenders that were living down there and had done his own research. He had found one result of a man who was registered, but had killed himself, Pride Jones. He was reassured that DHS had done welfare checks on numerous occasions and found that the children were safe and were able to stay in this environment. If parole and probation was required to vet an address before someone could be registered there, how were they letting someone at that status live with children? Who was going to protect those kids who were already in crisis?

Howie Harkema, McMinnville resident, agreed with Councilor Drabkin about the need for additional locations for the car and RV parking

program. He asked about those who were living in tents, what should they do? Some were not well enough to pack up their belongings in the morning and come back in the evening on a daily basis. Where would they go during the daytime hours and what would they do with their things? If a low barrier shelter campground was not possible, what would happen to our houseless neighbors? He thought they would start trickling back into neighborhoods. Many on social media wanted to put them on a bus and get them out of the City, however some of them were from McMinnville and had lived here all of their lives. He felt it was not correct to send our houseless citizens away from their hometown.

Michael Conaway, McMinnville resident, was concerned about the Police Department's ability to enforce laws and the cost of responding to calls. He thought they were incentivizing homelessness due to access to services and no mechanism to determine who was temporary. He stated there was a big difference between homeless and squatting. He felt they needed to do better and involve systems that actually helped people. He did not want to send people away, but wanted to have services provided that got the job done.

Desmond Curran, McMinnville resident, was concerned about people's homes being taken away and about putting them in a worse situation. He had been trying to organize trash pickups and water drop offs for the homeless. They were just people and he did not think they should be run out of town.

Stacey Mayhew, McMinnville resident, thought the car camping program was part of the solution but was not the entire solution. She stated that when people decided to squat on public property it was very difficult to get them to obey the laws or to move them. This crisis had to be addressed with something that worked. She thought this was a good start.

Ted Urton, Dundee resident and McMinnville rental property owner, thought the timeframes were harsh as a family with children would have to get up at 5 to 5:30 a.m. to move their tent. It was especially cruel to mothers and children because they would have no place to go during winter weather conditions. They would have to leave the warmth of their sleeping bags in order to disperse somewhere, especially when most businesses and services did not open until 8 or 9 a.m. He also questioned what these families would do with their belongings. Those who did not comply would have their tents and belongings confiscated and could retrieve them at the Police Department at night. He thought this would lead to more people camping downtown. He did not think this was a good solution.

Liz Stein, McMinnville resident, announced Town Hall meetings on the third Wednesday of each month to discuss solutions to these issues. She had forwarded a list to the Council of solutions that had come out of the first meeting that was held. She discussed some of the issues that were addressed at that meeting.

David Mihm, McMinnville resident, was concerned about the costs involved with responding to emergency calls. There were dangers present in the low barrier shelters. They were lax in drug laws and did not have the facilities to help with the mental health issues. If people weren't willing to help themselves, how could they force them out of these situations? He questioned moving people every morning and their valuables. He had seen the valuables and piles of egg cartons, stacks of broken bicycle parts, etc. He stated that this was what happened when people were on drug and that these valuables were not movable, and they were not valuable. Someone would be responsible for moving those things out, and the public would pay for it as well as the police and fire response. He stated they needed to do something now because they were in crisis.

Tucker Williams, owner of Reynolds Dog Resort, was speaking as a father and small business owner and citizen of McMinnville. He had a growing concern with the homeless population. An overwhelming number of employees within his profession were females and it was becoming more difficult to hire and retain quality employees. He recently spoke with an employee who left because she felt uneasy coming to work in the evenings and late night dog runs due to the nearby homeless camp. He had received a number of complaints from customers. He had purchased a home and business in McMinnville and this growing concern was threatening his future and was an issue for all nearby local businesses. He was willing to help but wanted to find a solution that did not come at the expense of business owners or citizens. He did not know if the low barrier shelters would be an answer as they would have to go to and from the camp and would be walking up and down his street at odd hours of the day.

Leanna Gautney, McMinnville resident, had personal and professional concerns about safety, theft, vandalism, and fear of walking through certain parts of town. People here knew what they needed and wanted to make it functional. Citizens chose to elect the Council and they needed to make decisions based on the voices of the people. She stated the City was not run by one person, but a collected many. They had not asked what citizens and businesses wanted. She did not think citizen requests and demands on its leadership were being taken seriously. A lot of efforts had been made, but the visual affect was inaction through allowing camping on streets and sidewalks. She stated a good neighbor didn't litter or

defecate on sidewalks or park their broken or inoperable vehicles on streets while other citizens were paying taxes to fix the streets and sidewalks they were residing on.

Tim McDaniel, McMinnville resident, asked where was the compassion for those who had struggled for a lifetime to build enough value into their homes and businesses to make it to the end of life with enough equity to survive. Where was the compassion for people who had done what society and life had asked? They had elected the Council to help keep this a stable community. He felt it was not compassion to have built an estate and have it converted to a place where there must be provisions for sidewalk obstructing and camping, which was nothing more than squatters' rights. He stated compassion for the poor was important, and giving a hand up to someone willing to work was part of being a faith based community. He felt that the more that was given without being earned by resident vagrants the more they came to town to find a place and meal for themselves. The word traveled rapidly. He thought it was a nonsense world on Marsh Lane and Dustin Court and that stopping the influx of vagrants into the city's safe and clean home settings was common sense leadership. There were plenty of compassionate words to explain why the streets and sidewalks should be new homes to a protected class of people, but who would be compassionate when equities were ruptured and failed.

Dean Klaus owned the farm field next to Dustin Court. He stated that kindness had become the City's burden and felt there was a limit to how much they could provide for someone before they started taking advantage of it. He thought the City was being taken advantage of. It took money and resources to solve the problem. It would not solve everyone's problems completely and would need to be worked on continually. He stated that there hadn't been many rules in place and there hadn't been much enforcement. He received a letter that he had trash in front of another one of his properties and he needed to clean it up. He felt they could not expect something out of somebody and not expect the same from others.

Jacob Miller discussed the amount of harassment, oppression, discrimination, and threats of violence his family had received from the public since he last spoke here. They were trying to live peacefully and lawfully. More laws or taxes would not solve the problem. He encouraged a viable solution rooted in love.

Gioia Goodrum, Chamber of Commerce, had some questions about camping being done in other areas of town, such as in front of homes once people had been moved from whatever location they had been in, and how that would be addressed. Regarding the franchise fees, they were concerned that the Council planned to vote on the resolution tonight. The

Chamber was not involved in any discussion on the franchise fee topic. They were already paying taxes on properties, insurance, and gross receipts and now the City wanted to charge them for wastewater. According to the resolution the funds would go to the General Fund. It appeared they would use the fund for unrelated expenses other than the homeless crisis, however the Chamber's desire would be for the funds to go to a specific purpose and for a designated amount of time. The fees would hurt everyone in the community especially low income housing, elderly, working families, and small businesses. The Chamber opposed the franchise fees.

Brad Bassit, stated that the City Council and the City Attorney should be ashamed as they had tattered the name of McMinnville by allowing things to happen on the City's streets that were completely illegal. Citizens were not proud of what the Council and Attorney were doing. He stated the Ninth Circuit Court of Appeals did not justify setting up tents on public rights-of-way. He thanked Chief Scales for bringing up the Ordinance and thought it was a solution to this growing problem. He asked why the wastewater franchise fees needed to be raised by 5% as it was \$500,000 out of the community that could have gone towards jobs. He thought that was ridiculous that it was stated that the locations of the car camping sites were not being released because they were fearful of retaliation.. Citizens had come to the Council to communicate their frustrations with how the City was being managed, but that did not make them angry and attacking people.

Scott Thorkilson, McMinnville resident stated the Police Chief was going to the City Council to endorse the proposed Ordinance. He thought it was the right direction to go. He stated that last week he counted 80 squatters. He thought there was a huge problem and they were trying to solve it with a Q-tip. He stated that some of the squatters had been there for over a year and rights-of-way had never been meant to keep a person alive for a year.

Rhonda Langley had lived in McMinnville for 16 years and had seen a drastic change in the people. Near her home she had seen people loitering, smoking, and selling drugs. She stated the police used to know the homeless in town, but now they did not the homeless entering the City or their criminal records. This winter when it got down to 25 degrees and snowing she had discovered 5 tarps and tents that were set up in a neighboring forest. She stated the homeless were choosing to live without heat, water, garbage, and toilet facilities when there were plenty of beds at the local mission shelter. During the winter the drug and alcohol policies were relaxed at the mission and the homeless were allowed to stay for 30 days. The mission did not force anyone to participate in religious activities

in order to get services. She stated that the YCAP shelter also had several beds available. After the remodel at the mission, there would be 52 beds available. She felt they should support the mission and other local facilities instead of free campsites that were only perpetuating the situation and enabling people.

Dan Hilbert, McMinnville resident, stated that there was a lot of passion on the issue. He stated that increasing sewer rates to pay for homeless shelters which were unrelated to the expense and daily operation of McMinnville Water and Light was bad government. He thought it was an unjust increase in sewer rates as they just had a 2.8% sewer rate increase in January. They did not need another increase in sewer rates. The tourism tax was already generating a huge amount of money which could be used to offset the expenses for the homeless. He questioned where the money would go.

3. PRESENTATIONS

3.a. Visit McMinnville Annual Budget

Jeff Knapp, Executive Director, and Kitri McGuire, Director of Marketing, said their main goal was to promote McMinnville as a year round tourism destination. They gave a review of last year's progress and the proposed plan for this year. They were a Board driven organization and he introduced the members of the Board. They were up 16% in annual website visits which was 127,000 unique visits. In the McMinnville Strategic Plan, Visit McMinnville fit into strategic plan 6.2, become the preferred destination for wine-related tourism, 6.3, diversify tourism destinations beyond wine, and 6.4, market and promote McMinnville.

Tourism was an economic driver in McMinnville. There was a 49.5% increase in tourism spending since 2010 (with over \$119.6 million in tourism spending). There were 1,800 plus tourism industry jobs in Yamhill County which was up 50% since 2010. That generated transient lodging tax (TLT) receipts of \$295,882, which was a 41.7% increase since 2015. The wine industry was an almost \$6 billion economic impact statewide and the majority of that was located in Yamhill County. There were over 250 wineries located within 20 miles of the City creating 7,625 jobs and \$215 million in earnings. He predicted a conservative growth this year in tax receipts of about \$100,000.

Mr. Knapp displayed a chart of the lodging demands in the City. Vacation rental demand had increased by 69% year over year and hotel demand had increased by 19% year over year. They were working on attacking the low numbers in the fall and winter, but there had been large growth in supply/demand and there was room for growth in the market. Visit McMinnville

was an economic development organization and focused on destination management through communications and promotions and destination development.

Ms. McGuire explained that one of the biggest efforts this last year was a branding and Land of Plenty Campaign. The first step was to gather data. They asked what they wanted to visually communicate about McMinnville and what action they wanted potential visitors to take. They did this through a half day session with the Board and stakeholders doing branding exercises. They also held two consumer surveys, one for people who visited McMinnville for themselves and one for people who thought about coming to McMinnville but chose a different destination. From stakeholders and community members four brand attributes were created: honest, elegant, friendly, and flexible. They combined all of the attributes to create a custom font that became their logo. It showed how McMinnville is not one type of destination and it could be a lot of things to a lot of people. The survey of those that had visited McMinnville stated that there was a little something magical about the community. Those who traveled elsewhere stated that there was a sense that there wasn't enough to do here. This feedback led to the Land of Plenty Campaign. She explained how the campaign was meant to grab attention through ads and videos with engaging colors, statements, and visuals that stood out from typical wine country advertising. This campaign would be used for the next two years to reach targeted consumer groups. Last month they were awarded the Travel Oregon Tourism Marketing Award for these efforts. Media relations was sometimes called earned or unpaid media because pieces written about McMinnville in publications were not paid for, but were earned through establishing relationships with writers, editors, and influencers. She explained that McMinnville was written about in 203 publications. They also hosted an activation in New York where over 30 event media guests attended. They were very pleased with the results and had received several write ups because of the event. They brought three high level writers out to McMinnville following the event as well. They planned to do another activation in New York to continue the momentum.

Mr. Knapp then discussed Destination Development. He stated that the main driving item in McMinnville was food and beverage and in order to be a world-renowned destination they needed to diversify. He stated that there were opportunities in outdoor recreation, arts and culture, agritourism, and group sales. Cycling had been identified as a low hanging fruit for outdoor recreation. He had worked with partners to create safe cycling routes. He had also been working on an Art Walk with public and private galleries and creating a public art map. He had hired monthly contributors to write about arts and culture for the area and their second

largest traffic for website visits was for people looking for things to do in addition to food and wine. They had invested in an employee to work on group travel sales. This person hosted familiarization tours for event planners, hosted visiting tour operators, pitched regional organizations on McMinnville event assets, promoted add-on stays for Portland conferences, and maintained the event planner database. There was regional effort coordination as well. When they became an organization in 2015, McMinnville was an island in tourism limbo that was disconnected from the other tourism agencies. That had been changing and they had been working with many organizations and targeted Seattle as a market for their focus and efforts for the coming year. Seattle was the number two largest supplier of visitors to the City. In the next two years an economic slowdown was expected and people tended to travel by car in those times. They had partnered with the Willamette Valley Visitors Association to focus marketing efforts on the Seattle metro area for the next two years. In order to make an impact they had partnered and leveraged funds strategically.

Mr. Knapp explained the proposed Fiscal Year 2019-20 budget. They anticipated 5% growth in transient lodging tax revenue. The total estimated TLT revenue was \$1.2 million. Visit McMinnville would receive about \$866,000, and the City would receive about \$389,000. This was the first year they were spending a large amount on advertising as they were trying to reach the Seattle market.

Councilor Geary asked about fiscal forecasting for the next couple of years since they were forecasting conservatively yet seeing great growth.

Mr. Knapp thought they would always budget conservatively. They were operating under the assumption that they would continue the current agreement with the City. If the laws were changed, such as with SB 595, and there was an ability to allocate TLT funds to other efforts, they would have the conversation at that time. The majority of their expenses were discretionary. Their job was to spend what they had as an investment to see a return. They were as effective as their resources.

Councilor Geary asked if stakeholder businesses were coming to him and asking how they could invest in the community and get returns.

Mr. Knapp said yes, and they provided data to those people. Tourism on a state level was a \$12 billion industry and wine travel was a \$6 billion industry. People came to Oregon primarily for outdoor recreation or food/wine travel. The system and structure to represent the area on the state level were grant funding and representation by the Willamette Valley Visitors Association. Historically this Association had been a volunteer

board for thirty years without an executive director and a seat representing McMinnville's interests for several years. He had been working to restore that seat and open the channel of funding and resources. They now had a governing board and were hiring an executive director and he hoped there would be better equity among the regions. He had also been working with the County to take a role in tourism. McMinnville had a lot of assets, a lot to offer, and could be a leader in the region.

Council President Menke stated there was a perception that tourism jobs were low paying jobs and she asked if that was true in this area.

Mr. Knapp stated that there were entry levels to everything but if they were breaking it down, they were living wage jobs. The average part time entry level wine tourism front office staff was \$14 per hour, but average management salaries were \$50,000 to \$60,000 and top executives were making \$80,000 to \$100,000.

Councilor Garvin said there was a lot of growth last year due to the Atticus Hotel. He asked what they would be looking at to leverage this year to continue the growth since there was not another big project like that coming up.

Mr. Knapp stated that they had seen growth in the TLT because of the Atticus, but he thought they would still be growing revenue. They would still promote the Atticus, but there were other businesses coming up that would help make the community even more interesting.

Councilor Garvin asked what the biggest potential unknown was.

Mr. Knapp responded that people might not understand what they did and not tying the work back to economic impact because they were working too much on outward focus and not focusing inward. He saw nothing but upward growth of local and international investment.

Councilor Garvin asked what drove them to focus on Seattle.

Mr. Knapp responded that Seattle was a number two market and was a top priority market for Travel Oregon. It was attainable enough and a large enough market of people who did not know about McMinnville. It was close enough that if there was an economic downturn people could still make the trip in their cars.

Councilor Peralta explained how the TLT worked. Visit McMinnville automatically got the 70%. They had been doing a good job with the money, however his view was that the City Council should take a look at the 800,000 and decide what the best allocation for the City was. While he was supportive of the marketing efforts in this budget, he was mindful of

the fact that it could be used on a variety of other things. Current service levels for local governments were dropping because of increased costs and declining revenues. He stated they needed to be more conscientious of how the dollars were spent. He thought they should revisit the contract moving forward.

The Council took a five minute break at 8:18 p.m. and reconvened at 8:26 p.m.

Mr. Knapp said their organization had conversations with the City about different ways to invest the funds. The data and strategy that they had taken led their efforts thus far. Tourism dollars could be used for facilities, but those facilities would have to be proven to be servicing tourists 51% or more of the time. These laws were set to protect the tourism stakeholder businesses. If the City wanted to look into it, he hoped they would take the data driven strategic approach as when Visit McMinnville was created. He thought the plan they had presented was the best use of the funds strategically for the biggest economic impact. The better that they were doing, the more revenue was created for the City.

Councilor Drabkin stated that initially these dollars were administered into the community through grants. They hadn't always been used for Visit McMinnville.

Mr. Knapp said at the time they had settled on a grant program that proved to not be the most effective investment for those funds. They looked at another model that could be more impactful and created Visit McMinnville.

Councilor Drabkin remembered reaching out to Mr. Knapp regarding the use of these funds and he had explained the TLT definitions from the statutes and highlighted all of the definitions for allowable facilities for TLT dollars. She didn't believe that capital improvements at the airport would be an allowable use of TLT dollars as a certain amount of the dollars had to be a tourism related activity.

Mr. Knapp clarified that funds for tourism related infrastructure projects had to serve 51% or more tourists. He would like to be part of the strategy and thought it should be something done in the future.

Councilor Peralta stated that the 51% was not addressed in the statute. What was referenced was conference centers, convention centers, and other tourism related facilities. He thought an airport would fit the description as well. He thought the time to discuss this was now as they had to address the City's budget shortfall. He had a hard time justifying \$400,000 in paid marketing given the other pressing needs.

Mr. Knapp stated that they were operating within the laws and contract that they had with the City.

City Attorney Koch explained they were in a period of a one year extension. In order for either party to terminate or make changes to the contract, notice would have to be given by January 1 for the upcoming fiscal year. This had not happened, and both parties were locked into the contract for the second one year period beginning July 1, 2019 going to June 30, 2020. There was one more extension through this contract and if there was no notice by January 1, 2020 the extension would go into effect to June 30, 2021. Both parties could agree to amend the contract at any time, but the City could not force a change to the contract until the 2020-21 fiscal year and had to give notice by January 1, 2020.

Council President Menke stated that Visit McMinnville was doing an incredible job in helping accomplish what they wanted in the City.

Councilor Drabkin moved to approve the business plan and budget as submitted; seconded by Councilor Garvin.

Councilor Peralta raised these same issues last year about considering different uses for the money. Going forward he would like to have the conversation about how TLT was being allocated.

Councilor Geary would also like to have the discussion on what they could allocate tourism dollars for and clarifying what a tourism related facility was. He thought they should earmark the 30% towards a project.

City Manager Towery stated that the Budget Committee had asked for an exploration of the 30% that went towards the General Fund. If the City Council wanted to direct a formal discussion with alternative uses and priorities for the 70%, Council needed to give that direction.

Councilor Drabkin stated that before diving into reevaluating a contract, perhaps the Council needed to have a clear understanding of TLT funds.

City Manager Towery thought they could schedule a work session on the topic.

Councilor Garvin added that he would like to explore taking some of the 30% for a special project.

Councilor Stassens agreed that the Council needed to be educated on how the money could be spent.

The motion passed 4-2 with Councilors Geary and Peralta opposed.

3.b.

Classification and Compensation Analysis Update

Human Resources Manager Bayer-Fertterer provided a background on the Classification and Compensation Study. This was a way to create a plan or system to group an organization's positions into categories. They wanted to find a way to evaluate the positions based on the major functions of the jobs and the responsibilities held in each job and apply a methodology on how to group them and how to apply a compensation strategy. They would be looking at job descriptions and making sure they had up to date essential functions of the jobs and minimum qualifications. One of the most important things was to have a consistent methodology that was applied across the board. This work was critical and the strategic plan called for it. One of the goals was to invest in the City's workforce. They also had to comply with state law that an objective analysis was done on the compensation of all positions.

There were six phases to the project. The first was a planning session with a project launch meeting, presentation with the Council, a classification study which would include employee interviews and position description questionnaires, salary surveys, and internal equity assessment. At the completion of that work, there would be an opportunity for appeals. There would be a final report and presentation with the employees and Council. It would be a 6-8 month project. There would be two opportunities for changes in salary. One was through the internal equity assessment which made sure the City was following the Oregon Equal Pay Act. If there were discrepancies, the lower paid employee would need to be increased to the higher paid employee. Staff would come back to Council for guidance on how that might impact the budget. The other was through salary surveys. She thought it was likely that the surveys would show the City's compensation was lagging in some areas. The project would cost \$70,000 to \$80,000 plus the unknown cost of the implementation of the project recommendations. There would also be a significant impact on staff time due to interviews, position description questionnaires, and appeals process.

She asked for policy direction on what kind of data they would like to use for the compensation survey. They could look at public sector data only or they could look at both public and private sector data. Public sector data was readily available, more easily comparable, and cost effective. Public and private sector data was the customized salary survey that showed how total compensation varied between sectors and increased the total project cost. The recommendation from the City was to use public sector data only. The next steps were to select the consultant, enter into a contract, and then launch. She was hoping to wrap the project up by the end of the

calendar year. In order to strengthen the City of McMinnville's ability to prioritize and deliver municipal services with discipline and focus, the City must invest in our workforce.

Councilor Geary declared a potential conflict of interest as his wife worked at the library. He asked if the study would also look at non-traditional benefit packages.

Human Resources Manager Bayer-Fertterer said they would only be looking at salary and wages.

Councilor Drabkin asked if the funds for the study were already in the budget.

Human Resources Manager Bayer-Fertterer said they had budgeted for the study in this fiscal year and next fiscal year, but not for any of the potential additional costs for staff time, appeals, and pay raises.

Councilor Drabkin asked what was the other driver for this other than the Oregon Equal Pay Act.

Human Resources Manager Bayer-Fertterer explained that this was a project that had been promised to staff for years.

Councilor Drabkin asked if there were departments that could be excluded. For instance if there were departments that already looked at comparables as they revised their own contracts, would it be necessary to contract it out as those departments were regularly looking at comparables.

Human Resources Manager Bayer-Fertterer responded that internal equity was important. If they did not analyze all of the City's positions, they ran a risk of making an error there.

Councilor Stassens asked about the requirements based on what the report produced, was there a required timeframe for implementation? What was state mandated?

Human Resources Manager Bayer-Fertterer explained the only thing state mandated was the Oregon Equal Pay Act. That required immediate fixes if there were employees performing equitable work but did not receive equal pay. As for the recommendations from the salary surveys, it was up to the City Council on how they would be implemented.

Councilor Garvin asked if there was any retroactive pay mandated by the state.

Human Resources Manager Bayer-Fertterer said Oregon Equal Pay Act would go back to January 1, 2019.

Councilor Peralta asked about other cities that had done this and if there had been significant changes in their budgets.

Human Resources Manager Bayer-Fertterer gave an example of the City of Portland where over 500 employees received pay increases. When the budget impact was significant they would have to come to the Council with recommendations on how to implement any changes.

Council President Menke asked about a timeline for implementation.

Human Resources Manager Bayer-Fertterer explained they could implement it in whatever timeline would work best for the City.

The majority of the Council was in favor of using public sector data only.

4. CONSENT AGENDA

a. Consider the Minutes of the April 9, 2019 City Council Regular Meeting.

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

5. RESOLUTION

5.a. **Resolution No. 2019-35:** A Resolution establishing revised sanitary sewer user fees; establishing a franchise fee for wastewater services; and repealing Resolutions 2018-12 and 2019-08.

City Manager Towery stated that in November/December of last year the Council reviewed the annual rate report that indicated a 2.8% sewer increase to cover capital and operating costs. Based on recent conversations and direction from the Council on May 14th, the Council directed bringing forward a franchise fee for wastewater services to provide stimulus money for projects and services for people without homes. The Budget Committee had approved the budget assuming Council action on the franchise fee. Staff would be presenting alternative revenues to the Council in the future. This would increase the sewer fees by 7.8% and would generate approximately \$780,000 in revenue.

Councilor Geary was in favor of the resolution as there was a need for additional revenue as the City's costs were going up and reserves were declining. He would like a future discussion on putting a portion of the revenues towards bolstering reserves.

Councilor Drabkin was in favor as well. It would help support some affordable housing initiatives including supporting community partners, establishing a regional homeless coordinator position, land banking,

competitive projects for affordable housing, and leverage for gap financing for projects.

Councilor Stassens was also in support. There were not funds currently available to help solve some of the issues regarding homelessness.

Councilor Garvin said with the declining reserves he was open to additional revenue streams. He thought that money generated for homeless projects should be coming from the TLT as he saw a direct correlation as the demand for vacation home rentals kept rising and cheap rentals kept declining. They should be transparent about what the franchise fees would be used for.

Councilor Peralta agreed they needed to be clear about where the money was going. He thought some should be allocated to helping address homelessness.

Councilor Drabkin MOVED to adopt **Resolution No. 2019-35** establishing revised sanitary sewer user fees; establishing a franchise fee for wastewater services; and repealing Resolutions 2018-12 and 2019-08; SECONDED by Council President Menke.

Councilor Stassens asked at what point they would have the conversation about how the funds would be allocated.

City Manager Towery explained the Budget Committee had made a motion to budget the revenue and place the expense in contingency. The funds would stay in contingency until there was Council direction on how to utilize the funds.

Councilor Peralta would like to see how the money was spent before passing the resolution.

City Manager Towery explained that it took 30 days to establish a franchise fee and if they chose to take action now, the fee would go into effect July 1. If they waited to a subsequent date, the effective date would be delayed and would have a revenue impact.

Community Development Director Bisset stated that the resolution had already been adopted for the rate increase of 2.8%. If they did not take action on the resolution that rate increase was still in place. He asked the Council to consider the billing impact to McMinnville Water and Light if they delayed.

Councilor Drabkin stated that multiple times Council had given direction that there was a need for more funds that would be equitably distributed and worked out in the budget process. She was confused as to why at this time they seemed to be running into a wall.

Councilor Stassens stated that without a doubt the funds were needed and she was in favor.

Councilor Peralta was in favor of allocating money to address these issues. It would be helpful to have better clarity on how the money was spent before they made the decision.

Councilor Garvin stated that there was a need for the revenue, but he thought they should know how the money would be spent first.

The motion passed 4-2 with Councilors Geary and Garvin opposed.

6. ORDINANCE

- 6.a. Consider first reading with possible second reading of **Ordinance No. 5064**: An Ordinance Relating to Camping within the City of McMinnville; amending MMC Chapter 8.36.

No Councilor present requested that the Ordinance be read in full.

City Attorney Koch read by title only Ordinance No. 5064 relating to camping within the City of McMinnville; amending MMC Chapter 8.36.

Police Chief Scales presented. On May 14th the City Council conducted a work session surrounding the topic of homelessness. One of the topics discussed was the impact of homeless camping in public rights-of-way. During the course of the work session, City Council heard from the City Manager, numerous department heads, as well as the City Attorney on the topic. Public rights-of-way camping had been a problem impacting our citizens, public safety, public works, public health, private non-profits, private businesses and City held entities such as McMinnville Water and Light. The staff report submitted on May 14th had further details surrounding the current legal hurdles impacting our inability to enforce McMinnville Municipal Code (MMC) 8.36 as it related to prohibited camping in McMinnville. In addition he referred to the direct impacts both financial and calls for service to the Police Department which strove to provide a community that was safe while protecting the City's livability. At the conclusion of the work session, City Council directed staff to return to the next Council meeting with an ordinance which updated McMinnville Municipal Code that was modeled after the City of Vancouver, Washington. In addition, they requested the MMC be updated to possibly protect locations within the City at all times. Staff had completed an ordinance amending MMC 8.36 taking into consideration the situations/conditions which the City currently faced. The updated MMC 8.36 mirrored that of Vancouver, Washington allowing camping on the public rights-of-way during the hours of 9:30 p.m. and 6:30 a.m. Between the hours of 6:30 a.m. and 9:30 p.m. no public rights-of-way

camping (to include vehicles) would be allowed. The storage of property to include “camp facilities” (other than vehicles) would not be allowed under the MMC. In essence one may camp on the public rights-of-way during allowed times and in approved areas, however after that time one must remove their property from public property or the public rights-of-way (see ordinance for complete language). Discussion remained with respect to the outright prohibition of camping in the Urban Renewal area as well as residential areas. Staff prepared the MMC to prohibit camping in these areas to protect against the creation of blighted conditions and protect significant investments that had been made to areas targeted for improvement.

Councilor Peralta asked what enforcement looked like for the large encampments in town.

Police Chief Scales said the ordinance allowed for a thirty day window during which time the Police Department and their partners would be out doing outreach informing populations on Marsh Lane, Dustin Court, and 4th and Adams about the upcoming code changes. At the end of the 30 days, people would be contacted by officers to move. If they chose not to move then they would be in violation of the code which was a Class C misdemeanor with a maximum of 30 days imprisonment.

Councilor Peralta asked if the ordinance gave the Police Department the authority they needed to be able to appropriately respond to those who chose not to comply.

Police Chief Scales stated that yes, it would.

Councilor Drabkin asked if the ordinance had been contested in Vancouver. She wanted to make sure they did not violate the Ninth Circuit Court decision.

Police Chief Scales did not think it had been contested. This was the mechanism they had been using since 2015 and it was working. He noted that they could not expect 100% compliance.

City Attorney Koch stated there was always a potential that the City could be sued. The question was whether or not the City could prevail in the lawsuit. The courts allowed reasonable time, place, and manner restrictions to be placed on activities. The ordinance set reasonable time restrictions on the activity as well as place restrictions. He thought it fit within the guidelines that had been set by the courts.

Councilor Peralta thought that if they had low barrier shelters they could have an absolute ban on camping City-wide.

City Attorney Koch stated they could not criminalize someone from sleeping in a public place if they did not have another place to go. If there was a choice of somewhere to go, and someone still chose to sleep on the street then criminal action could be taken.

Councilor Drabkin was confused because Ordinance 5057 prohibited camping in all public rights-of-way which would have been enforceable except for the Ninth Circuit Court decision. The changes proposed would actually allow camping in the public rights-of-way, which was prohibited by the current ordinance. Business owners wanted equitable enforcement of the laws, and the City had not been able to enforce the laws. There had been public input on the timeframes and getting kids up and ready in the morning and moving by 6:30 a.m. It would be a challenge especially if it had to be done seven days a week. She questioned whether it was a reasonable time. She asked if the Ordinance was to pass and people had to vacate the area by 6:30 a.m., who would take care of the debris that was left behind?

Police Chief Scales explained that personal belongings of value left behind would be tagged and taken to the Police Department and could be picked up later. If it was garbage, Police staff would work with Recology and Public Works to pick it up.

Councilor Drabkin was concerned that the garbage left behind would be unpredictably taken care of. She asked how they could ensure the Police Department would not be picking up the trash.

Police Chief Scales explained that they would be asking for assistance, but ultimately if garbage was left behind they might need to be the ones to clean it up. He expected that the amount of garbage would be reduced because they would not be in the same area for a long amount of time.

Councilor Drabkin asked if there was anything to stop people from returning to Dustin, Marsh, or 4th every night.

Police Chief Scales said 4th was in the Urban Renewal area. He noted that the Fire Chief was working with Public Works on striping fire lanes down one side of the street on Dustin and Marsh. However, people would be allowed to return to those areas.

Councilor Drabkin asked if allowing people to still sleep on the side of property and businesses every night would satisfy the community's concerns.

Police Chief Scales stated that this was a step forward to address the long term issue.

Councilor Drabkin asked if he thought it was better to pass the ordinance as opposed to creating places for people to go and keeping the City's current no camping ordinance.

Police Chief Scales stated yes, because as the current ordinance was written it did not satisfy time, place, and manner. This got the needle moving and the other avenues still needed to be considered.

Councilor Drabkin asked about the difference between a C violation and C misdemeanor.

City Attorney Koch explained that a violation was a non-criminal offense with a monetary fine and no jail time associated. That applied to the safe overnight camping program. The misdemeanor related to the prohibited camping section of the ordinance would be a criminal offense with a fine and jail time.

Councilor Stassens was in strong support of the ordinance. She asked what it would look like for RVs.

Police Chief Scales stated RVs would be told to move if they were in a residential area. If they refused to leave, the person could be arrested and go to jail and the RV could be impounded.

Councilor Peralta MOVED to pass **Ordinance No. 5064** to a second reading; SECONDED by Councilor Garvin. Motion PASSED unanimously.

City Attorney Koch read by title only for a second time Ordinance No. 5064.

Councilor Stassens MOVED to approve **Ordinance No. 5064** relating to camping within the City of McMinnville; amending MMC Chapter 8.36; SECONDED by Councilor Garvin. Ordinance No. 5064 PASSED 5-0-1 by roll-call vote with Councilor Drabkin abstaining.

7. ADJOURN: The meeting adjourned at 10:01 p.m.

Melissa Bisset, City Recorder