

CITY OF McMinnville
MINUTES OF CITY COUNCIL MEETING
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, February 25, 2020 at 7:00 p.m.

Presiding: Kellie Menke, Council President

Recording Secretary: Claudia Cisneros

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

Also present were City Manager Jeff Towery, Interim City Attorney Walt Gowell, Chief of Police Matt Scales, Planning director Heather Richards, Parks & Recreation Director Susan Muir, Human Resources Manager Kylie Bayer-Ferterrer, Community Development Director Mike Bissett, Tom Henderson News-Register and Jerry Eichten, McMinnville Community Media.

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

PLEDGE

Councilor Garvin led the Pledge of Allegiance.

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

Sid Freidman, McMinnville resident, spoke on behalf of Friends of Yamhill County and 1000 Friends of Oregon regarding the Urban Growth Management efforts. Attended last Thursday's Planning Commission Work Session meeting which had good discussion on missing middle housing, design standards, and implementations of House Bill 2001. Really good work being done by City staff and Planning Commission commends their work. Mentioned the meeting ended with Planning Director stating the topic coming before City Council in executive session for next steps including possible resubmission of the 2003 Urban Growth Boundary (UGB) Amendment that was Remanded at the Court of Appeals and possible pursuit of special legislation to except McMinnville from the UGB amendment process. Also attended the City Council January Work Session where possible next steps were discussed and wanted to share a few points for Council's consideration. First, at the January meeting Council expressed a strong desire for robust public input on what path the City should take for

next steps but going into Executive Session to discuss next steps seems antithetical to what was previously expressed and can cause distrust and skepticism. He also mentioned Executive Session is limited by law to a narrow set of circumstances and doesn't feel the old litigation or UGB discussion falls within those Executive Session circumstances. He also pointed out at this work session there was inaccurate information/ it needs context such as stating that the city has been plagued with constant challenges and appeals, the city has been growth planning for 25 years and actively challenged for 20 of those years. In their views feels like that is a bit of a stretch. A slide was shown of what Friends of Yamhill County and 1000 Friends of Oregon had agreed to be added to the UGB during a 2009 mediation effort. Orally describe the area as exceptional lands, the lands agreed to in mediation were 350 buildable acres of mostly high-value farmland.

4.

ADVICE/ INFORMATION ITEMS

4.a.

Reports from Councilors on Committee & Board Assignments

Councilor Geary stated the Landscape Review Committee met the previous week and discussed a few exciting developments. A commercial building being placed over by Tommy's and reviewed landscape for the Tiny Homes over by Alpine. Historic Landmarks meets on Thursday. Kids on the Block (KOB) Technical Advisory Committee is still waiting on the joint School Board Meeting. MacPac off and running has a second meeting coming up to discuss how to be more equitable in their programming.

Councilor Stassens stated the McMinnville Urban Renewal Advisory Committee (MURAC) meeting was canceled for this month will probably have a report by next meeting.

Councilor Peralta stated the Mid-Willamette Valley Council of Governments (MWVCOG) had its annual meeting and proud to present awards to Sheridan, Willamina, and Confederative Tribes of Grand Ronde for great wave finding projects they have been working on. Council of Governments is also in the process of hiring a new director and that's also going well.

Councilor Garvin stated he attended the Yamhill Communications Agency (YCOM) meeting but there was no quorum, so they did not discuss anything. The Airport Commission meeting is set for a week from today at 6:30 pm at Civic Hall for anyone who would like to attend and looking forward to the KOB meeting with the School Board.

Councilor Drabkin stated the McMinnville Affordable Housing Task Force will be meeting tomorrow morning with Stuart Ramsing the Building Official and also be receiving an update on House Bill 4001 which is the State's Emergency Shelter bill. There are a couple of things not coming to Council for formal Task Force recommendation but have been discussed with members of the Affordable Housing. First, misinformation about HB 4001 that the City of McMinnville turned down a million and a half dollars. Note that the City of McMinnville did not do such a thing. Also, there is conversation happening to bring to Council about having a moratorium on

any new vacation rental. The Gospel Rescue Mission has an approved max occupancy of 13 beds but have room for 17 beds and they have submitted a request to the Council to change the terms of their conditional use permit and allow them to provide those three extra beds. Lastly, a conversation that is happening is wanting to have a more thorough conversation with Council and the Planning Department about what an Emergency Ordinance looks like for the City and this conversation should happen rather immediately.

Councilor Geary asked when they should talk about the maximum beds at the Gospel Rescue Mission and the short-term rental moratorium as he is ready to talk about the topics.

Planning Director Richards provided background on the topic, stating there is a conditional use permit application that was submitted by the Gospel Rescue Mission as a land-use process and they requested to build a shelter that accommodates 17 beds, the land use decision put a condition that only allows them 13 beds based on the size of the building they provided at the time of application and it is a building code issue. What needs to be done is find out if the building code still pertains to the built environment and if it does then it's a moot point as you cannot supersede the building code however if it's not a building code issue then it's an amendment to the conditional use permit application. She will be working with Legal Counsel to look at the condition of approval on the land use application and see if they can have that revised without going through a land-use process again.

Council President Menke stated there is an Urbanization Pac Meeting on Thursday from 4:30 pm to 6 pm. On Visit McMinnville Board the Councilors have a piece of current advertising from Visit McMinnville. She pointed out wine has the most growth in Oregon over the entire county of those areas producing wine in this particular last year and they will be hosting the Yamhill Fondo bike race more information to come.

4.b.

Department Head Reports

1.Campaign Finance Disclosure Ordinance

City Attorney Gowell stated this was a staff report coming back to the Council from a brief discussion on this topic. The purpose of the presentation is to provide basic information about the issue of Campaign Finance in Oregon current initiatives, litigations that are underway, the current statewide joint resolution that is going to the ballot in November, and two bills passed in June of 2019. He stated that 25 years ago Oregonians through the initiative process brought Measure 9 to the ballot and passed it which was the initial Campaign Finance Measure that limited the amount of permissible campaign expenditures by campaigns, it limited third party expenditures not approved by candidates, it limited candidates use of out of district contributions, and required candidates to except or not except voluntary limits of campaign expenditures to have their elections published. It ended up being appealed after it passed going to the Oregon Supreme Court in 1997 case called *Fred Vannatta v. Phil Keisling*. The Oregon Supreme Court interpreted the Constitution's provision permitting the regulating and conduct of elections and prohibiting all undue influence therein from power, bribery, tumult, or

other improper conduct. The Court ruled in Vannatta that political contributions constitute “expression” a form of expression entitled to protection, also there is a difference between the authority for regulation of elections and the authority to regulate campaigns. Also, stated limits on campaign contributions are unconstitutional limits on free expression and geographical limitations on donors are impermissible. Finally, the courts upheld the publications in the voter’s pamphlet of a candidate’s decision to accept or reject voluntary limits on campaign expenditure as not being improperly coercive as a form of regulation. On November 2016 Multnomah County voted on a Charter Amendment to establish a candidate contribution would be limited to \$500, established independent expenditures limits for individuals to \$5,00, and limits for independent political committees to \$10,000. Imposed registration requirements for committees expending over \$750. Imposed disclosure requirements on campaign communications of five largest donors over \$500. County put the measure out and it passed then put it before the Circuit Court of Multnomah County in a Validation Proceeding and which struck down the contributions limits, struck down the expenditure limits, struck down the disclosure requirements, upheld the employee withholding contribution, and upheld the registration of political committee requirements. The County filed an appeal to the Circuit Court ruling which was certified directly to the Supreme Court in order to fast track the appeal. That decision is currently waiting on a decision by the Supreme Court. In November of 2018, the City of Portland filed a similar Charter amendment with similar provisions. The Charter amendment was reduced to an Ordinance and the Ordinance was appealed. The same Circuit Court Judge that ruled on the Multnomah County Validation Proceeding was the Judge in the Portland Proceeding with a ruling of struck down contribution limits, struck down expenditure limits, upheld disclosure requirement, upheld employee withholding contributions, and upheld the registration requirements. That decision at the Circuit Court level was appealed in a Validation Proceeding and currently at the Court of Appeals.

On November 2019 the Oregon Supreme Court heard an argument on the ruling of Multnomah Court and the Supreme Courts publication they put out called the statement of issues also known as an entry form stated the three issues:

Statement of Issues:	<p>(1) Do the restrictions in Section 11.60 and Ordinance No. 1243 on contributions and expenditures violate the rights of free expression under Article I, section 8, of the Oregon Constitution, or the First Amendment to the United States Constitution?</p> <p>(2) Do the disclosure requirements in Section 11.60 and Ordinance No. 1243 constitute impermissible compelled speech under either constitution?</p> <p>(3) Are the payroll deduction provisions of Section 11.60 and Ordinance No. 1243 preempted by ORS 652.610, which limits an employer's authority to make payroll deductions?</p> <p>These summaries of cases are prepared for the benefit of members of the media to assist them in reporting the court's activities to the public. Parties and practitioners should not rely on the summaries, or the statement of issues to be decided in the summaries, as indicating the questions that the Supreme Court will consider. Regarding the questions that the Supreme Court may consider, see Oregon Rule of Appellate Procedure 9.20.</p>
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Prior to Courts arguments on the Multnomah County Ordinance the Oregon Legislature weighed in and adopted Joint Resolution 18 and scheduled for a November 2020 statewide vote. The measure would add section 2 to section 8 of Article 2 of the Constitution which authorizes Cities, Counties, and Districts by empowering them to:

1. Limiting contributions made in connection with political campaigns in a manner that does not prevent candidates and political committees from gathering the resources necessary for effective advocacy;
2. Requiring disclosures of contributions or expenditures made in connection with political campaigns or to influence the outcome of any election;
3. Require that an advertisement made in connection with a political campaign or to influence the outcome of any election identify the person or entities that paid for the advertisements; and
4. Limiting expenditures made in connection with political campaigns or to influence the outcome of any election to the extent permitted under the Constitution of the United States.

These additions would amend the Oregon Constitution and bring it in line with the United States Constitution Campaign Finance limitations as it relates to expenditure limitations. The purpose, as explained in Legislative testimony was to avoid the preclusion by the Oregon Constitution of most Campaign Finance regulations on parts of Government within the State of Oregon. The language relating to contributions in a manner that does not prevent candidates and political activities to gather the necessary resources were placed to create a standard that was approved by the 9th Circuit. In 2019 the Oregon Legislature adopted two disclosure statutes:

1. House Bill 2716 regulating communications in support of Candidates by requiring disclosures on campaign communications of the five largest donors paying for the communication where aggregate donations exceed \$10,000. It created certain exceptions for charitable donors.

2. House Bill 2983 regulates communications made in support of both Candidates and Measures by requiring disclosures of campaign donations, but it establishes a \$25,000 threshold for regulation of city measures for cities smaller than 60,000. Once the threshold was met it would require disclosure of donor's contribution to Candidates or Measure with aggregate donations which exceed \$10,000, the disclosure of the donation to be disclosed within seven days after making a campaign communication. It would also permit anonymous donations of over \$1,000 to be used for campaign communications.

A copy of the Portland Ordinance that was found to be largely accepted in the disclosure by Judge Bloch area was provided in the packet. Wanted to give Council those provisions to review. The ones he marked in green were accepted and the ones marked in red were ruled unconstitutional. Invited Dan Meek, an advocate for Campaign Finance Reforms for over the past 20/25 years and provide Council with some additional information.

Dan Meek, a volunteer attorney for an organization called Honest Elections Oregon, stated everything Mr. Gowell presented was an accurate summary of what's going on. Each Ballot Measure passed with over an 87% yes vote. Another important overview regarding the cases Mr. Gowell described, striking down various things none of them until 2018 addressed disclosures on political advertising. Oregon has had limits on campaign contributions and some required disclosures since the 1864 Corrupt Practices Act, which banned candidates from bribing voters. Then in 1908 Oregon voters enacted a sweeping statute that placed limits on campaign contributions, created the voter's pamphlet, and required political ads identify their sponsors. All these requirements were fully in place and enforced, not challenged un-Constitutional until 1973. In 1973 the Oregon Legislature repealed the limits on contributions, replaced them with only limits on overall spending. Since then the amount of money spent on political campaigns in Oregon has generally increased by a factor of ten. Legislative races are ten times more now than it was in 1996. In the Governor race, it is twenty times more than it was in 1996. The court in 1997 in the *Vannatta v. Keisling* decision ruled that political contributions constitute expression entitled to protection. That particular conclusion was countered remanded by the Court in 2009. In another case brought by *Fred Vannatta v. The Oregon Government Ethics Commission* about the limits on gifts, the lobbyist could give to Legislatures, other public officials, and candidates, and in 2007 Oregon Legislature limited gifts to \$50 per occasion. Lobbyists hired attorneys to challenge this ruling as they considered part of campaign contributions and in 2009 the Oregon Supreme Court said transfers of properties are not expression. In this case it was also stated limits on receiving transfers of property are acceptable while limits on giving might not be acceptable. As for the Multnomah County and Portland Ordinances and Charter Amendments, the limitations on contributions also has a special small-donor feature that anyone can form a small donor community and receive contributions only from individuals in the amount of \$100 or less and can contribute the accumulated funds to any or candidates. The Important part of Judge Bloch's decision, the judge on the Multnomah County Circuit Court on the Portland measure in 2019 is that he upheld the disclosure and disclaimer requirements because he struck down

the Multnomah County ones primarily because he thought they were too vague, they were only one sentence. Honest Elections of Oregon drafted its own measure as an initiative for Portland then it added about a page and a half of detail to that requirement and the Judge said it looked good. No Oregon Court, except Judge Bloch in the Multnomah County case has ever struck down a disclosure or disclaimer requirement. The Oregon Courts have never struck down such requirements. The Oregon Attorney General in 1999 issued an opinion saying that the requirements that Oregon voters adopted in 1908 to require political ads to identify their sponsors violates Oregon's Article I Section 8. Then Legislatures immediately took to repeal the disclaimer requirements in Oregon Law that had been in place for about 90 years. Now Oregon Legislature in the past session repudiated the Attorney General opinion as they adopted two Measures. He stated HB 2716 does not apply at all to ads that are placed by candidates or candidate committees it only applies to independent expenditures, in Oregon 95% of ads are placed by candidates or candidate committees and they can remain anonymous and that's one way they feel HB 2716 is deficient as they should require candidates to disclose their large contributors. HB 2983 only applies to internal transactions of a nonprofit corporation under previously existing law any nonprofit corporation could assemble money from any sources it wanted and then if they placed an ad they would not have to identify themselves. Under HB 2716 they would have to identify themselves but because this bill doesn't have a drill-down to the sources of the money it doesn't have to disclose anything else. So what HB 2983 does is require nonprofits to identify where their money is coming from but it doesn't require anything else so quite easy to avoid.

Mr. Meek started his slideshow beginning with stating Oregon is quite deficient when it comes to disclosures and disclaimer requirements in political ads. Oregon Legislature repealed a law requiring that political ads identify their sources in HB 2716. The Corporate Reform Coalition said that six states are worse than Oregon in disclosing independent expenditures grading Oregon an "F" and Washington an "A". Believes Oregon now will earn a better now because of the two new bills. After the Multnomah County Circuit Court upheld the tag line requirement in the Portland Charter Amendment, Multnomah County then adopted a new Ordinance for tag lines that use the exact language used in the Portland Charter Amendment. The kind of tag lines requirements that were adopted in Portland and in Multnomah County are also in place in various ways in 11 States the main difference is to what extent they require drill-downs to original sources. Last year the state of Washington copied the Portland Ordinance Charter Amendment of requiring any top five contributors is a committee then the ad must also disclose the top three contributors to the political committee. The primary example of effective taglines on political ads was what happened in the 2014 Election in Richmond, California. Within the city limits, there is a Chron refinery company that was having accidents of realizing clouds of toxic gases so the Richmond City Council pushed for an Ordinance requiring Chevron to notify when toxic gases were being released to evacuate people. Chevron then decided to take over city government by recruiting candidates to run for Mayor and all City Council seats, they spent over \$3 million promoting its four candidates and outspending its other candidates by a factor

of 50 to 1. California law requires that the ads identify their major funder so all their ads, billboards, etc. did include the name of Chevron Inc. All Chevrons candidates lost overwhelmingly. Another example more recently is the City of Seattle City Council race and might have heard that Amazon and other corporations got together and spend several million dollars in independent expenditures in those races because City Council was considering various kinds of taxes on Amazon large national corporations. The corporate candidates lost six of the seven races since Washington they have to identify all their top funders and the top three funders of the committees. Mr. Meek asked if any Councilor had any questions.

Mr. Gowell stated regarding Judge Bloch's ruling in the Portland matter his decision to uphold the disclosure requirements was very persuasive and well written.

Council President Menke asked if McMinnville was interested in also doing something similar to what Portland has done could this be enacted?

Mr. Gowell stated the Joint Resolution 18 has a specific final provision stating Subsection 2 of this Section applies to laws and ordinances enacted by the Legislature or Assembly or Governing Body of a city which are enacted or approved by the people through the initiative process on or after January 1, 2016 the effect of this is to retroactively approve Constitutional Measures which the ballot measure upholds if passed. This does not stop communities from adopting measures prior to the election if they choose or wish to do so. It doesn't mandate or require it but if Council wishes to wait until after the election to see what the voters have to say.

Mr. Meek agreed with Mr. Gowell and said there is no current pending challenge to any of the disclaimer requirements. Does not expect the Oregon Supreme Courts' forthcoming decision on the Multnomah County Measure will address the disclaimer requirement. In the Portland case at the Oregon Court of Appeals, none of the parties will argue that the disclaimer requirements are unconstitutional.

Councilor Peralta thanked Mr. Meek for the comprehensive testimony. Wanted to confirm the Portland City Charter, Multnomah County Charter, and State Laws relating to campaign finance disclaimers are going to be enforced for 2020 and to Mr. Meek's knowledge, there are no challenges on the horizon for those?

Mr. Meek stated Councilor Peralta was correct, stated both City of Portland and Multnomah County will be enforcing the disclaimer requirements. He pointed out that there would probably be complaints filed in the near future about candidates who are not complying with the disclaimer requirements.

Councilor Peralta suggested to the Council that even though there will be a Constitutional Amendment the voters will vote on, that would allow them in addition to adopting the disclosure and disclaimer requirement suggests to also adopt contribution limits because the contribution limits are still subject to the voter approval they should probably leave those aside but still consider

passing disclosure and disclaimer requirements similar or same ones adopted in Portland. Mentioned he emailed Council some materials that included the description of the Portland campaign finance disclosure requirements and a link to the City Auditors' description of the disclaimers written and we should adopt that campaign disclaimer pretty much in whole as a City for 2020. Stated even if the Council can't vote on this tonight he'd like to get the Council's thoughts.

Councilor Garvin said he would not be in favor of any contribution limits but open to the discussion of disclosures ahead of the current election cycle.

Councilor Drabkin said she's reviewed the timely disclosures of contributions and expenditures implemented by the City of Portland and would be in favor of implementing something similar or the same for the City.

Councilor Geary asked if this would come to the Council or be referred to the City voters.

Mr. Gowell stated it can go either way, Council could adopt its own Ordinance or can refer a proposed Ordinance to the voters, which would not hit the ballot until November or have it in a special election before November's.

Councilor Geary stated he liked the idea of the voters setting the rules for the elected officials that the voters make but knows it's a different process.

Council President Menke stated that special elections would probably cost the City around \$69,000.

Councilor Geary stated it should be added to the already set general election.

Mr. Gowell stated if Council is going to wait until the November election to add this to the ballot he would suggest waiting until after to adopt more comprehensive because they'll have the ability to adopt contributions and expenditure limits if Joint Resolution 18 passes.

Councilor Geary stated it seems like there is a slippery slope of having the current officeholders set the rules for future holders.

Councilor Peralta stated in his perspective if they were to do something more significant like campaign contributions limits that would significantly change how campaigns are run then he'd agree to send it to the voters. In this case, they are providing more information for the voters to make an informed choice when they get printed materials people sometimes don't realize what the source of the material is. This is the reason he supports it and voters deserve to have all the information in front of them when making a decision. This doesn't restrict anybody from making contributions or groups from engaging in the process or restrict candidates from accepting contributions in any amount.

Councilor Geary agreed with Councilor Peralta but wants to make sure they are the right people to make the rule and is in favor.

Councilor Stassens stated she's also in favor of the disclosure portion and waiting on the campaign finance until it's clear what's going to happen at the Legislative level.

Council President Menke asked if Council is interested in having the City Manager come back with a proposed Resolution or waiting to see what happens after elections?

Councilor Stassens stated thinks they could look at a Resolution on just the disclosure portion.

The consensus from Council was to have a Resolution be brought before them.

Mr. Gowell clarified this would be in a form of an Ordinance.

5.

CONSENT AGENDA

- a. Consider request from Growlers Tap Station LLC at 1036 NE Baker St. for an off-premises liquor license.
- b. Consider the Minutes of the September 10, 2019 City Council Work Session and Regular City Council Meeting.
- c. Consider the Minutes of the September 18, 2019 City Council Work Session Meeting.

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

6.

RESOLUTION

6.a.

Consider Resolution No. **2020-09**: A Resolution authorizing the City Manager to enter into a contract to purchase real property from Yamhill County for affordable housing.

Planning Director Richards stated this was a recommendation coming from the Affordable Housing Task Force it's a project they've been working on for maybe two years now and it's a partnership with Yamhill County. The chair of the task force and her went to meet with Commissioner Starrett a couple years ago to talk about opportunities associated with foreclosed residential properties in McMinnville and trying to leverage those for affordable housing projects. After some review, the County agreed to enter into an agreement with the City to sell those properties to the city in the amount of the taxes owed on the property. The City would then put out a Request for Proposal (RFP) for developers to sell those properties to them and have them invest in them and rehab them and put them into service of affordable housing for a certain number of years. This is the authorization for the City Manager to enter into a real estate transaction for the purchase of a property for \$14, 945.31. Will go through 30 days due diligence process of the property. The

funds are meant to come out of the Affordable Housing Trust Fund that was set up and authorized in the fiscal year budget.

Councilor Garvin asked as they move through this process what other expenses would the City be paying or is the applicant of the RFP incurring all the cost.

Ms. Richards stated the intent is to have the applicant in the RFP to incur all the costs. There are developers in this community that are interested in this property. The expectation because of the competitive process is someone would come in and bid below market value, put some money into rehabbing it, and dedicate it for a certain amount of years and then eventually becomes house marketing stock in our community.

Councilor Garvin asked in terms of management of the housing when in affordable housing if we have identified that provider,

Ms. Richards stated the intention would be that it would be managed by that partnership with the provider. The City would not be the manager. The city would work with a provider they select and the developer would have a contract with the provider for how long it's donated to them to use and the provider would manage the occupancy of it. Originally they talked about having the County do the RFP process but there is a statute that prevents them from doing it but they can sell it to another public agency and then engage in that process.

Councilor Garvin asked if they have identified a provider that has sustainable funding and capacity to manage the housing.

Ms. Richards stated they have had a discussion with several different providers.

Councilor Stassens MOVED to adopt Resolution No. 2020-09; authorizing the City Manager to enter into a contract to purchase real property from Yamhill County for affordable housing; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

- 6.b. Consider Resolution No. **2020-13**: A Resolution appointing Peter Hofstetter, Alison Seiler, and Wendy Phoenix as representatives of the City of McMinnville Budget Committee.

Finance Director Cuellar stated there are three open positions on the Budget Committee for a three-year term. They were five people that applied and the selection committee recommended the three names moving forward. This includes a reappoint of Peter Hofstetter, two new members Alison Seiler and Wendy Phoenix to the Budget Committee.

Councilor Geary MOVED to adopt Resolution No. 2020-13; appointing Peter Hofstetter, Alison Seiler, and Wendy Phoenix as representatives of the City of McMinnville Budget Committee; SECONDED by Councilor Garvin. Motion PASSED unanimously.

6.c. Consider Resolution No. **2020-14**: A Resolution establishing revised System Development Charges (SDCs) pertaining to parks and recreation, sanitary sewer, and transportation; and repealing Resolution No. 2019-09.

Community Development Director Mike Bisset referred Council to the staff report in the packet regarding the annual adjustment of system development charges to reflect the increase in construction cost. City Ordinances specify to use the Engineering News Record Construction index for Seattle Washington which is the nearest index for construction cost. The index grew by 0.9% in calendar year 2019 and resolution before them includes the 0.9% increase in the transportation parks and recreation and sanity sewer system development charges.

Council President Menke stated this is significantly less increase than prior year.

Mr. Bisset stated that was correct and this would apply to any building permit applied for after July 1st.

Councilor Geary stated we use the Seattle index do we take it as a whole or do we make any edits to it.

Mr. Bisset stated the Ordinance specifies we use that index and there are not any adjustments to it. It does have several components to it like labor goods, specific categories of goods and could provide more information about the index if Council would like. If there is interest by Council to use a different index that could be a topic for discussion.

Councilor Stassens stated she knows this is a way to determine how SDC are but how is this keeping up with costs and keeping us accurate in the right size and services and keeping us in an accurate range to recover cost and services.

Mr. Bisset stated that is a bigger question and the answer would vary depending on each of the system development charges. The parks and recreation system development charges are based on a current master plan from 1999, so the cost identified are not accurate at this point. The other consideration is the Community and Council has decided not to recover full costs of development through the system development charge so there is already a discounted these fees.

Councilor Stassens asked if there's part of the process that they are evaluating where we are on that and checking those assumptions if they are still reasonable.

Mr. Bisset stated that historically occurs during the master plan updates.

Councilor Peralta stated he sits on the Council of Governments board and knows that almost every jurisdiction uses the Seattle Consumer Price Index (CPI) to do its inflation adjustments

Councilor Garvin stated the index is widely accepted throughout and does not see the need to change it.

Councilor Geary asked if Mr. Bisset keeps track of those specific uses.

Mr. Bisset stated no but would have to work with the Planning Director's team to see what he could pull off the building permit system that would categorize those for him.

Councilor Geary MOVED to adopt Resolution No. 2020-14; establishing revised System Development Charges (SDCs) pertaining to parks and recreation, sanitary sewer, and transportation; and repealing Resolution No. 2019-09; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

- 6.d. Consider Resolution No. 2020-15: A Resolution appointing members to the McMinnville Urban Area Management Commission.

Ms. Richards stated the McMinnville Urban Area Management Commission is the hearings body that's assigned by both Yamhill County and the City Council to consider urban growth boundary amendments since having discussion recently she reached out to the County to have this up and rolling. It is assigned based on roles within Yamhill County and City Council and part of the Urban Growth Boundary Management Agreement put in place in 1981. The population of the committee is a Yamhill County Commissioner, two Yamhill County Planning Commissioners, a City Councilor from the City of McMinnville, a Planning Commissioner from the City of McMinnville, and an advisory committee but a few years back changed that the citizen's advisory committee so it's really two Planning Commissioners. They are all appointed and based on terms within their respective agencies they are representing and a citizen at-large is appointed to a four-year term. Every year Yamhill County has updated its membership to this committee and the City has not since it has not seen action since the 2015 public hearing for the see ya later project which was eventually withdrawn. She reached out to the Planning Commission and there are two Planning Commissioners that want to participate, Robert Banagay and Gary Langenwalter and Mayor Hill would like to represent the City Council. The resolution is to officially appoint those members to the committee and then do an advertisement for the citizen at large.

Councilor Stassens MOVED to adopt Resolution No. 2020-15; appointing members to the McMinnville Urban Area Management Commission; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

- 6.e. Consider Resolution No. 2020-16: A Resolution Adopting Corrective Plan of Action for FY 2018-2019 Audit Findings.

Ms. Cuellar stated that on January 31, 2020 the Cities financial statements for the prior fiscal year were filed with the Secretary of State and also submitted the Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA) to maintain a streak for the Excellence in Financial Reporting award. Is also pleased to report that the Merina and Co. will issue an unmodified opinion, a clean opinion on our audit, but

unfortunately there was a material weakness finding was received. When a municipality receives a material weakness finding it's required under statute to file a plan of action with the Secretary of State within 30 days. This resolution with the plan of action is based on a template the Secretary of State provides for Council approval. The action plan is attached to the packet detailing the elements with the descriptions of deficiency as well as details of the four specific ways she plans to address the issue going forward.

Councilor Peralta stated that essentially the audit found that due to turnover in management at the end of the year worksheets were not being reviewed.

Ms. Cuellar stated that the systems are set up to where there is a lot of handwork and reconciliation that goes into producing the financial statements from data that comes out of the financial system. The strong part was that there is nothing wrong with the accounting work being done through the year but rather taking that data and organizing it and presenting it in a way that's required by the standards body.

Councilor Peralta asked if there was a staffing issue or if we had adequate staff to meet the requirements.

Ms. Cuellar stated as a new employee she is concerned about how lean they are but this particular issue was not the primary issue. Stated it stretches back a few years ago the primary person who did utilize more heavily the CAFR moved on and no one within the Finance Department knew how it worked so they moved to a manual system which they've been using for two or three years.

Councilor Peralta asked if going forward there's a plan to have a primary staff trained and also have a backup staff trained.

Ms. Cuellar said it would be a challenge but there is an accountant working with her to get him more onboard.

Councilor Stassens MOVED to adopt Resolution No. 2020-16; Adopting Corrective Plan of Action for FY 2018-2019 Audit Findings; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

- 6.f. Consider Resolution No. 2020-17: A Resolution approving the acquisition of property and/or temporary construction easements from Jackson Miller and Kathleen Spring, Gary and Paula Mackey, and Brandi Pointer for the Old Sheridan Road Improvements transportation bond project.

Mr. Bisset referred Council to the staff report in the packet from Engineering Services Manager Larry Sherwood as well as the attachments that provide information of the areas they are proposing to purchase. Two parcels of right-of-way and three temporary construction easements to facilitate the construction of the Old Sheridan Road corridor project which is scheduled to bid this Spring and be under construction this calendar year. The total purchase price for the parcels are \$18,900 plus closing and escrow fees.

Councilor Peralta asked if going forward there's a plan to have a primary staff trained and also have a backup staff trained.

Ms. Cuellar said it would be a challenge but there is an accountant working with her to get him more onboard.

Councilor Stassens MOVED to adopt Resolution No. 2020-16; Adopting Corrective Plan of Action for FY 2018-2019 Audit Findings; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

- 6.f. Consider Resolution No. **2020-17**: A Resolution approving the acquisition of property and/or temporary construction easements from Jackson Miller and Kathleen Spring, Gary and Paula Mackey, and Brandi Pointer for the Old Sheridan Road Improvements transportation bond project.

Mr. Bisset referred Council to the staff report in the packet from Engineering Services Manager Larry Sherwood as well as the attachments that provide information of the areas they are proposing to purchase. Two parcels of right-of-way and three temporary construction easements to facilitate the construction of the Old Sheridan Road corridor project which is scheduled to bid this Spring and be under construction this calendar year. The total purchase price for the parcels are \$18,900 plus closing and escrow fees.

Councilor Drabkin MOVED to adopt Resolution No. 2020-17; approving the acquisition of property and/or temporary construction easements from Jackson Miller and Kathleen Spring, Gary and Paula Mackey, and Brandi Pointer for the Old Sheridan Road Improvements transportation bond project; SECONDED by Councilor Geary. Motion PASSED unanimously.

Council President Menke stated Council be going into executive session after the meeting.

7. ADJOURNMENT: Council President Menke adjourned the Meeting at 8:42 p.m.



Claudia Cisneros, City Recorder