

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

Tuesday, May 23, 2017 at 6:00 p.m.

Presiding: Scott A. Hill, Mayor

Recording: Melissa Grace, City Recorder

Councilors: Present Excused Absence  
Remy Drabkin  
Kevin Jeffries  
Adam Garvin  
Kellie Menke, Council President  
Alan Ruden  
Wendy Stassens

Also present were City Manager Jeff Towery, City Attorney Koch, Community Development Director Mike Bisset, and Tom Henderson of the *News Register* and Dave Adams of KLYC radio.

DINNER

CALL TO ORDER: Mayor Hill called the Dinner Meeting to order at 6:41 p.m. and welcomed all in attendance.

DISCUSSION:

Mayor Hill asked for a volunteer to lead the Pledge of Allegiance and Councilor Drabkin volunteered.

Mayor Hill reviewed the agenda for the evening.

Discussion ensued regarding public communication on the Slurry Seal project as well as with others projects.

ADJOURNMENT: The Dinner Meeting was adjourned at 6:54 p.m.

s/s Melissa Grace  
Melissa Grace, City Recorder

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

Tuesday, May 23, 2017, at 7:00 p.m.

Presiding: Scott A. Hill, Mayor

Recording: Melissa Grace, City Recorder

Councilors: Present Excused Absence  
Remy Drabkin  
Kevin Jeffries  
Adam Garvin  
Kellie Menke, Council President  
Alan Ruden  
Wendy Stassens

Also present were City Manager Jeff Towery, City Attorney David Koch, Community Development Director Mike Bisset, Police Chief Scales, Tom Henderson of the *News Register* and Dave Adams of KLYC radio.

AGENDA ITEM

1. CALL TO ORDER: Mayor Hill called the meeting to order at 7:00 p.m. and welcomed all in attendance.
2. PLEDGE OF ALLEGIANCE: Councilor Drabkin led the Pledge of Allegiance.
3. INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Hill invited the public to comment.

Mark Davis, McMinnville resident, stated that he appreciated Council's attention to the details in the Council packet regarding the Baker Creek Development public hearing on April 25. He thought it would have served the City better to continue that public hearing because the hour was so late and many citizens left who had signed up to speak. He also shared that he feels that important land use decisions should not be made after midnight and that there

needed to be a balance between getting things done and letting citizens have a say.

Councilors responded that the public hearing period had been left open for quite some time.

Susan Chambers, McMinnville resident, noted that she pays Transient Lodging Tax for her rental. She attended the annual meeting of Visit McMinnville on May 5 and heard about the potential increase to the tax rate. She expressed her hope that the revenues from the increased taxes would be used to reduce homelessness in McMinnville.

Mayor Hill clarified 70% of the revenues had to be used for tourism per State statute. The 30% that came to the City could be used for items in the General Fund.

Dan Hilbert, McMinnville resident, was against increasing the Transient Lodging Tax. He explained how he had traveled extensively, usually sleeping in his van instead of hotels or motels due to the room tax. He expressed his thoughts that travelers were targeted and that the tax was extortion. He said that he believes the funds were being used frivolously and that it was being suggested that the tax apply to RV parks and campgrounds. He urged the Council to deny this proposal as it was unwarranted, unneeded, and might lead to law suits in the future.

Renee Vorm, Board Chair of Yamhill Community Mediators of Yamhill County (YCM), shared the services that they had provided to the citizens of the County for over 27 years. It was work that required skill and it was something that most people did not want to do or were not able to do. She then reviewed their sources of funds which included the State, court system, Yamhill County, and other cities and noted that about 50% to 60% of their budget was going to McMinnville. She understood there was not support in the guidelines for McMinnville to contribute to the administration costs, but withdrawing all funds from YCM placed them in jeopardy of their matching grant from the State. They did not fit in the guidelines that had been enacted on April 11, 2017, and she asked where they did fit and if they valued this organization in McMinnville.

Discussion ensued regarding how YCM was valued, but a restrained budget had shifted priorities towards affordable housing and homelessness.

John Francis, member of YCM, stated mediation saved a great deal of costs to the City. Yamhill County was getting mediators for free as they were volunteers.

He stated that he felt it seemed like a bad way to save money by eliminating this service when many cities had to pay for it.

Kathy Bequith, member of YCM, stated that she volunteered in the Juvenile Detention Center. She taught youth mediation skills and believed it was transformational in their lives. She also did many community mediations. YCM was integral to the quality of life in McMinnville and in the County. It was hugely impactful to the families who used the service.

Beth Kereky, member of YCM, had been a volunteer with YCM for 20 years. She shared how they had helped with the homeless population. The hours they put in were incredible and all the volunteers had day jobs. She asked for any assistance the City could offer to help YCM sustain their services.

Roger Goodwin, McMinnville resident, discussed the April 25 City Council meeting. He was there to appeal the Baker Creek subdivision decision.

City Attorney Koch stated that he would need to make his appeal to the Oregon Land Use Board of Appeals.

Mr. Goodwin stated that he did not believe the packet could have been carefully reviewed and that it was not clear what the cost of the homes would be and the developer would only be developing 20% of the properties. He thought the density was too great for the area. The traffic in the neighborhood would be problematic. There was nothing in the conditions of approval regarding the access of emergency vehicles to the property. The decision should be reconsidered.

4. CONSENT AGENDA

4.a. Consider the Minutes of the August 23, 2016, and September 13, 2016 Dinner and Regular Meeting.

Council President Menke MOVED to adopt the consent agenda; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

5. Visit McMinnville Presentation

Jeff Knapp, Executive Director of Visit McMinnville, stated that they were proud of the work that had been accomplished over the last year. Visit McMinnville was staffed by two people and they have a very involved board. He stated the purpose and mission statement of Visit McMinnville.

He explained the marketing model. He then reviewed their activities in FY 2017 which included:

- Increase transient lodging tax (TLT) by 6.5% in the 2016 calendar year.
- McMinnville visitor survey strategy executed, data collected, and report was delivered.
- Over 76,000 unique website visitors to visitmcminnville.com. July 2016 through April 2017 (2016 numbers exceed Travel Oregon's expectation for a new DMO site by 400%).
- All social media channels have or are on pace to exceed 100% growth goals in FY 17.
- Created Winter TV Ad (on Comcast and Xfinity), using visitor survey data to target travelers most likely to visit McMinnville
- Over 941,000 earned media impressions (estimated coverage views + social shares) gained through media relations efforts. July 2016 through April 2017 (outpacing goal of 1,000,000 impressions).
- Created an engaging Winter campaign with print & digital creative used in targeted media buys in key shoulder and low season months.
- Engaged well known travel photographer as an artist-in-residence, capturing images at 10 staged shoots, local events, and day to day wine country life.
- Created an engaging Winter campaign with print and digital creative used in targeted media buys in key shoulder and low season months.
- Executed board-level strategic planning retreat, focused on building a 1-3 year plan.
- Collaborated on founding the McMinnville Community Wayfinding Committee whose focus is to create easily accessible information systems that guide people to and through town.

- Brought regional, national and international media and FAM tours to town with custom itineraries to showcase McMinnville as a premium tourism destination.
- Enhanced the visitmcminnville.com user experience with a homepage redesign, new header and footer navigation options, and optimized page speed.
- Engaged influencers and media at Portland's FEAST food festival.
- Distributed McMinnville lookbooks and Wine Walk passports to Welcome Centers around the state and to premier corporate partners like Boeing, Intel, and AAA.
- Worked with the city, local interests, and other economic development organizations to contribute to a cohesive, long term economic development plan.
- Created 8 vignette videos to bring awareness to a wide variety of businesses and attractions in McMinnville.
- Partnered with the Oregon Truffle Festival to bring high income food and wine enthusiasts to McMinnville during the off season.
- Created the McMinnville Umbrella Share program to encourage shoulder and off season shopping with 100 Wine Walk branded golf umbrellas available for guest use throughout McMinnville's Downtown and Granary districts.
- Created a Wine Walk app for Apple and Android with maps, geolocation stamps, and winery information.

Mr. Knapp displayed a chart of Transient Lodging Tax growth.

He then discussed the Fiscal Year 2018 goals and objectives as follows:

- Increase in annual Transient Lodging Tax (TLT) revenue by 7%.
- Execute strategy to attain 120,000 unique website visitors; a projected 30% increase over expected FY 2017 unique visitors to visitmcminnville.com.
- Execute shoulder and low season (November – April 2018) promotional campaign to improve healthier seasonality mix in the McMinnville tourism industry.
- Increase focus on brand awareness of Visit McMinnville's Wine Walk promotion.
- Increase all social media channel audiences by 50%.
- Secure regional and national non-paid media coverage resulting in 1.25 million impressions.

- Optimize visitmcminnville.com by launching a new database, and measure use/success by increase in time spent on site, page views, and referrals to stakeholders' sites.
- Enhance investments in visitmcminnville.com increasing organic traffic by 30% through maximizing search engine optimization (SEO) and search engine marketing (SEM).
- Manage and lead the development of a McMinnville Community Wayfinding Master Plan through collaborations with the McMinnville Community Wayfinding Committee and Sea Reach.
- Execute Visit McMinnville's current marketing plan by adding additional winter creative content, videography and photography
- Research McMinnville market feasibility study for convention, event, and sports opportunities.
- Design and implement program to attract group visits with focus on shoulder and low season (November-April 2018)
- Expand Visit McMinnville's current branding campaign by adding a new lookbook, a newly designed map, two new radio spots and new video edits.
- Build consumer email list to fuel quarterly consumer e-newsletters
- Complete plan for 2018/19 videography and photography projects to kick off Summer 2018.
- Plan and execute second successful board retreat and strategic visioning in January 2018.
- Collaborate with McMinnville Downtown Association (MDA), McMinnville Economic Development Partnership (MEDP), and the McMinnville Chamber of Commerce on supporting the execution of a city-wide hospitality/service/concierge program.
- Collaborate with MDA, MEDP, and the Chamber on a city-wide economic development plan.

Mr. Knapp reviewed the tourism numbers:

- 63% visitors who live outside Oregon
- 6.5 % increase in TLT in 2016
- 39% visitors stay overnight
- 8% visitors are from outside the USA
- 100,077 unique visits in 2016 to Visit McMinnville.com
- 3.4 average number of nights stayed by overnight visitors
- 1,609 jobs in Yamhill County because of tourism
- 80% came to visit downtown
- 31% visitors from Portland

- \$143,000 average annual household income of visitors
- 95% visitors who gave McMinnville gave a 4 or 5 rating

Website performance for 2016 showed the following:

- 100,077 unique visits
- 8,340 average monthly visits
- 196,451 total page views
- 29.1% visitors who find us through organic search
- May most monthly visits
- 1:55 average time on site
- January fewest monthly visits
- 23.4% visitors who clicked through to a partner's website

Part of the strategy was related to Media Relations. It allowed Visit McMinnville to reach the national and international market. He reviewed the names of their media relations partners.

Mr. Knapp then displayed the 2018 Fiscal Year Budget. Revenue came from City Funding (\$471,088), Advertising (\$3,000), and Grant Funding (\$40,000). Regarding expenditures, about 25% was spent on General Administration costs and the rest on Marketing.

Council President Menke commented on the success of Visit McMinnville.

There was discussion regarding the popularity of the videos and the feedback matrix for what worked and what did not.

Kitri McGuire, Marketing Manager of Visit McMinnville, explained the process of evaluating the marketing efforts. Print advertising worked well for them as well as advertising on their website.

Discussion ensued regarding the number of jobs created by tourism. .

Mayor Hill commented on the history of Visit McMinnville. They were becoming known and a bright spot in the state. The Mayor thanked Visit McMinnville and their board members for their efforts.

Council President Menke MOVED to accept the Business Plan FY 2018 & Budget; SECONDED by Councilor Garvin. Motion PASSED unanimously.



Mr. Knapp continued by discussing the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of tourism in McMinnville. He discussed the need for year round tourism with a particular emphasis on November to April. McMinnville could benefit from not only focused marketing efforts but from group sales opportunities as well. He proposed the following changes to the current Transient Lodging Tax ordinance: an increase to the current Transient Lodging Tax (TLT) of 2% and the term "lodging" to include RV parks and campsites. He then displayed a chart reflecting the anticipated revenue increases as a result of adding RV parks and campsites to the Transient Lodging Tax ordinance. Adding RV parks and campsites would bring in \$24,000 more in tax funds. Mr. Knapp then showed the comparable communities' TLT rates. McMinnville's tax was on the lower end of other comparable cities. These were taxes paid by visitors and not by residents. He did not think visitors would notice or have a problem with the additional taxes. He continued by showing the current revenue versus the forecasted revenue for Visit McMinnville and City of McMinnville (8% to 10%). If the Council agreed to the 2% increase, the additional dollars would be used to perform a feasibility study to increase group sales during the shoulder and off seasons.

Councilor Ruden questioned Mr. Knapp on what they were currently doing to promote tourism during the winter months and how it would be expanded through the additional funds. Mr. Knapp stated that they currently focused on print advertising, digital advertising, videography, social media, commercial placements, and family travel.

Councilor Drabkin stated that the City's portion of the additional revenues from a TLT increase should be earmarked to go towards homelessness. This benefitted many City departments and non-profits. Everyone in the community including Visit McMinnville was impacted by homelessness.

Councilor Stassens questioned how they determined a 2% increase. Mr. Knapp responded it was not the highest or lowest in comparison to other cities and it would help McMinnville to become a premier Oregon tourism destination. He thought the market could bear the proposed increase. He would plan a feasibility study to determine what types of business they should focus on, and it would advise next action steps.

Councilor Stassens was in support of the 2% increase and agreed that the City's portion should go to homelessness.

Councilor Garvin asked how the increase would affect those who stayed in the RV park long term. Mr. Knapp explained that anything less than 30 days was considered transient. Councilor Garvin asked what size of groups he was hoping to reach. Mr. Knapp said it was conference size groups. The feasibility study would show them what specific groups to target. Councilor Garvin noted that this would place McMinnville as the third highest TLT rate in comparable communities. He wanted to make sure that would not be detrimental to the off seasons they were struggling with. Mr. Knapp thought they would have leverage in negotiating the rates for group sales. He did not think it would affect the traditional vacation traveler.

Councilor Garvin said in general he was in support of the recommendations and earmarking the funds for homelessness.

Councilor Jeffries was also in support and echoed the thoughts of other Councilors regarding using the increased revenues to address homelessness.

Council President Menke supported the recommendations. The extra funds could help bring in partners for facilities for conferences. She thought charging the RV parks was a good idea as there would be more of them in the future and they had offered no objections. She did not think the funds should be specifically earmarked, as additional visitors to the City meant additional stresses on police, public works, and other emergency services. It should be discussed during the strategic planning session.

Mayor Hill agreed earmarking the funds should be a separate discussion. He suggested the Council only vote on the TLT increase and including RV parks and campsites.

Discussion ensued regarding the feasibility study and possibly building a convention center.

Councilor Drabkin stated that she would not be ready to vote on an ordinance at the next meeting until they had a conversation about what would be done with the additional funds.

Councilor Garvin suggested setting aside 1% of the TLT for affordable housing.

Councilor Jeffries concurred that all revenue sources should be brought to the strategic planning session and prioritized. Councilor Stassens also agreed.

There was consensus to direct staff to prepare an ordinance to increase the current Transient Lodging Tax by 2% and to have the term “lodging” include RV parks and campsites and to bring the ordinance to the June 13, 2017 City Council meeting.

6. RESOLUTIONS

6.a. **Resolution No. 2017-33:** A Resolution approving a waiver of deed restriction.

City Attorney Koch stated that the waiver of deed restriction was a continuation of an item that was before Council last month. It was a request by Parallel Infrastructure to grant a waiver of deed restriction that was imposed on a portion of property that was conveyed by the City to Evergreen Helicopters in 1971. He had discussed with the applicant reserving space on the tower for City emergency communications.

Aaron Bloom, Regional Director of PI Tower Development in Portland, reviewed the proposal for the waiver of deed restriction.

Councilor Drabkin said the contract guaranteed the City had 10 feet of space reserved on the tower. She asked where that space would be.

Mr. Bloom said it could be anywhere on the tower. It was the highest available on a first come first serve basis. The worst case scenario was the City’s space would be at 80-90 feet.

Discussion ensued regarding bandwidth, interference, and the various levels. Mr. Bloom stated that radio engineers determined the best height.

Councilor Ruden MOVED to adopt Resolution No. 2017-33 approving a waiver of deed restriction; SECONDED by Councilor Stassens. Motion PASSED unanimously.

6. b. **Resolution No. 2017-34:** A Resolution awarding the contract for the design of the Water Reclamation Facility Tertiary Treatment and Disinfection Project, Project 2017-2.

Community Development Director Bisset stated this resolution would award a design contract to CH2MHill for the next project in the Wastewater Facilities Plan. Staff completed a Request for Qualifications process and CH2MHill was the highest ranked proposer. He explained what would be included in the

contract. The cost would be \$124,230 to be paid for by the Wastewater Services Fund and Wastewater Capital Fund.

Council President Menke MOVED to adopt Resolution No. 2017-34 awarding the contract for the design of the Water Reclamation Facility Tertiary Treatment and Disinfection Project, Project 2017-2; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

6.c. **Resolution No. 2017-35:** A Resolution awarding the contract for the construction of the 2017 Slurry Seal Project 2017-3.

Community Development Director Bisset stated the City had been using slurry seal applications for almost ten years. It was an effective tool for the City's pavement maintenance strategy as it extended useful pavement life by five to seven years. This year's project would include application to almost 56,000 square yards of pavement surface on 34 streets in 7 different neighborhoods totaling 3.2 miles of City network. Five bids were received, and the lowest was Black Light, Inc. in the amount of \$85,086.80. The project would be funded by the State gas tax funds.

Councilor Garvin thought more advertising needed to be done on the benefit of the slurry seal projects to improve citizen perception.

Councilor Garvin MOVED to adopt Resolution No. 2017-35 awarding the contract for the construction of the 2017 Slurry Seal Project 2017-3; SECONDED by Councilor Stassens. Motion PASSED unanimously.

7. NEW BUSINESS

City Attorney Koch deferred to Councilor Garvin on the discussion of the Community Contributions Committee applications recommendation.

Councilor Garvin explained that five applications were received by the deadline. The applications were reviewed by the Community Contributions Committee and they recommended funding four of the applications. The Gospel Rescue Mission would receive \$10,000 and the other three applicants would receive \$5,000.

Councilor Stassens asked about the reasoning behind not recommending any funding to YCM. Councilor Garvin replied it was noted that the business model of YCM did not seem to be sustainable and that the purpose of the grant monies should not be for administrative costs.

Councilor Drabkin expressed concern with the potential cost to the City if YCM dissolved.

Discussion ensued regarding the value that YCM added to the community. It was noted that the Mayor went to each agency that had received funds in the past to let them know that the process was being changed. It was also noted that several other organizations whose funding the City had to cut had found other funding sources.

The Mayor planned to sit down with YCM and have a discussion about this issue.

City Attorney Koch said some questions had come in from Mandy Goff from Yamhill Community Action Partnership (YCAP). The first was about the \$10,000 match, did it need to come from other agencies or could it come from YCAP internally? Could the \$10,000 be in kind contributions? Why were they the only ones asked to provide a match?

Council President Menke answered that however a match could be provided was acceptable. City Attorney Koch clarified there was discussion about how the project not only benefitted the City, but would be a County-wide benefit. The Committee wanted to see the County and City of Newberg help fund the project.

Councilor Garvin said the \$5,000 from the City was for the study to be done. However YCAP funded the other \$10,000 to get the study done was acceptable. He did not think it should be a condition that the County and Newberg contributed to the project.

Council President Menke MOVED to approve the recommendation from the Community Contributions Committee to award \$5,000 to the Greater Yamhill Watershed Council, \$5,000 to the McMinnville Area Chamber of Commerce; \$5,000 to the Yamhill Community Action Partnership contingent upon the organization securing a total of \$10,000 in additional matching funds, and \$10,000 to the Yamhill County Gospel Mission; SECONDED by Councilor Stassens. Motion PASSED unanimously.

7. ADVICE/ INFORMATION ITEMS

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

Councilor Drabkin shared that the next Affordable Housing Task Force would meet the next day at 10 a.m. in the Community Development Center.

Mayor Hill provided an update on the Parkway Committee.

Councilor Jeffries stated that the Council of Local Governments has hired Sean O'Day. He also mentioned that he that he testified against the expansion and use of Riverbend Landfill. He noted that it was impactful for the City to say that it would not use it.

Council President Menke provided an update on the Wayfinding Committee.

7.b. Department Head Reports

Police Chief Scales noted that Captain Dennis Marks will be retiring at the end of the month. He thanked Captain Marks for his 25 years of service with the City. Rhonda Sandoval is the interim Police Captain.

Community Development Director Bisset noted that it is National Public Works Week and there would be an annual lunch celebration the following day. He expressed his thanks for his team and noted the great service that the Public Works Department provides.

8. ADJOURNMENT: Mayor Hill adjourned the Regular City Council meeting at 9:45 p.m.

s/s Melissa Grace  
Melissa Grace, City Recorder