

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, December 12, 2017 at 6:00 p.m.

Presiding: Scott Hill, Mayor

Recording Secretary: Melissa Grace

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Adam Garvin	Remy Drabkin
	Kevin Jeffries	Kellie Menke
	Alan Ruden	
	Wendy Stassens	

Also present were City Manager Jeff Towery, City Attorney David Koch, Planning Director Heather Richards, Community Development Director Bisset, and members of the News Media –Dave Adams, KLYC Radio, and Tom Henderson, *News Register*.

DINNER

CALL TO ORDER: Mayor Hill called the Dinner Meeting to order at 6:27 p.m. and welcomed all in attendance.

DISCUSSION:

Mayor Hill shared that he would be inviting a local high school student in attendance to lead the pledge.

The agenda for the Regular Meeting was reviewed.

Community Development Director Bisset stated that Deb Galardi would be providing the presentation and there would be a recommendation for sewer rates.

Planning Director Richards shared that there was a lot of work being done by the Planning Commission including foundational code amendments and training.

Planning Director Richards shared that a professor from the University of Oregon would be presenting the work of University Students related to the Green Cities Initiative.

Councilor Stassens asked about long-range plans. Ms. Richards explained that the Planning Commission will be going through a review of the long-range plans to provide the Commissioners with a background in order to help assist with their decision making.

Community Development Director Bisset shared that the acquisition being proposed during the Regular Meeting is the last piece of property needed for the Hill Road Project.

Discussion ensued regarding current street construction projects.

Planning Director Richards noted that the majority of cities are having neighborhood meetings and they are working out well. She explained that this new process should provide efficiencies.

Planning Director Richards stated that the Parks System Development Charge (SDC) fund is vulnerable to certain types of exemptions. The recommendation from the Affordable Housing Task Force is that the Parks SDC be removed from the exemptions for qualifying affordable housing projects. The other recommended change is that the annual allocation of \$75,000 be removed as both the Transportation and Wastewater SDC Funds are healthy. Mr. Bisset explained that there would be a minimal impact and that it is important to encourage affordable housing.

ADJOURNMENT: The Dinner Meeting adjourned at 6:52 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, December 12, 2017 at 7:00 p.m.

Presiding: Scott Hill, Mayor

Recording Secretary: Melissa Grace

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Adam Garvin	Remy Drabkin
	Kellie Menke, Council President (via Phone)	
	Kevin Jeffries	
	Alan Ruden	
	Wendy Stassens	

Also present were City Manager Jeff Towery, City Attorney David Koch, Planning Director Heather Richards, Community Development Director Mike Bisset, Parks and Recreation Director Susan Muir, Information Systems Director Scott Burke, Police Chief Matt Scales, Associate Planner Chuck Darnell, and members of the News Media – Dave Adams, KLYC Radio, and Tom Henderson, *News Register*.

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: A Gaston High School Student led the Pledge of Allegiance.

3. INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Hill invited the public to comment.

Lisa McCracken, 521 SW Filbert, stated that she was concerned about a sign on Three Mile Lane and asked that the sign be removed. She stated that the sign is causing confusion for Veterans. Community Development Director Bisset noted that he will look into her concern.

4. CONSENT AGENDA

- a. Consider the Minutes of November 28th Dinner and Regular City Council Meetings.

- b. Consider full on-premises, commercial OLCC license application from El Rancho Market, LLC located at 523 SE Baker Street.

Councilor Jeffries MOVED to adopt the consent agenda; SECONDED by Councilor Stassens. Motion PASSED unanimously.

5. PRESENTATIONS

5.a. Sanitary Sewer Rates

Community Development Director Bisset shared that when the City adopted the updated Wastewater Master Plan in 2010 the Wastewater Financial Plan was also updated. The Plan recommended a series of rate increases to cover the City's capital and maintenance costs related to wastewater. As part of the Plan the City agreed to review the Financial Plan on an every other year basis to make sure that the assumptions of the Financial Plan remain valid and that the increases are still appropriate.

Deb Galardi, Consultant with Galardi Rothstein Group, stated the Financial Plan was updated in 2013. The annual rate increase was determined to be 2.8 percent. It was part of the strategy to fund plan capital improvements on a pay as you go cash basis. Ms. Galardi stated that the strategy was to spend cash reserves in near term for capital and rebuild future reserves to about \$7 million.

In 2015 there was a Rate Equity Review Study. She explained that it was determined that there would be a continued annual 2.8 percent overall revenue increases and there were major customer class restructuring. She displayed a chart of the 2015 transition rates over a four-year period. The rate objectives of revenue adequacy, rate equity and defensibility have been the framework.

The annual cash flow projections are over a ten to twenty year period.

Ms. Galardi identified the sources of funds, operating expenses, capital financing and other requirements. The key assumptions were related to customer growth and usage, cost/ revenue escalation and policies. The minimum capital reserve is \$7.5 million.

She stated that no new debt is planned and displayed a graph of the projected capital costs and reserves.

She displayed sample bills.

The recommendations were to:

- Implement the final year of equity transition.
- Create subclasses for commercial customers in the next update.

- Increase annual revenue by 2.8 percent to balance the needs of the system.
- Review costs and revenues every one to two years.
- Revise rate strategy as needed to meet financial performance goals.

Discussion ensued regarding commercial rates versus residential rates and rate equity.

Mr. Bisset explained that currently McMinnville Water and Light provide utility billing and they do not categorize their customer classes out via wastewater strength. He noted that there are methods municipalities use to gather this type of information. He stated that one option is to have a business license. Mr. Bisset added that McMinnville Water and Light charges a very low cost to the city to provide billing services and that true cost of the billing system will be discussed in the future.

Discussion ensued regarding the importance of public outreach related to changes in billing.

Mr. Bisset reviewed the projects being worked on in the Wastewater Capital Plan and explained that there are still a number of projects that are in the Plan that will need to be addressed in the future. A new Master Planning effort will be conducted in the next year or two that will look out another twenty years. It was noted that the policy makers in the 1990s set the City on a path forward to not have to incur additional debt for wastewater capital.

Discussion ensued regarding the City's extended discharge permit from DEQ and that the City is not yet aware of what the new regulations will be, but expects that there will be new regulations.

The System Development Charges were explained related to wastewater and transportation.

5.b.

Planning Commission Annual Report

Planning Director Richards explained that the Planning Commission is advisory to City Council and they are a quasi judicial decision making body. She reviewed the purpose statement of the Planning Commission and noted that they are also the Citizen Involvement Committee.

Ms. Richards stated that there are nine members with two representatives from each Ward and three at-large representatives. There is also an ex-officio youth. She stated there is a wide representation of backgrounds and knowledge on the Planning Commission.

Ms. Richards explained that the Planning Commission:

- Administers the development code.
- Applies the Comprehensive Plan, Development Code, Zoning Map, Area Plans, etc. to specific properties both public and private.
- Makes Land Use decisions.
- Focus on long range planning.
- Amend the Development Code to reflect the changing community preferences and market conditions within the framework of the Comprehensive Plan.

Ms. Richards stated that she has conducted a long range planning needs assessment. She stated that the City is behind on many of the plans and explained her assessment of prioritization. She stated that there is a \$1.7 million deficit in long range planning projects. Ms. Richards noted that they are looking at a variety of creative funding mechanisms.

Ms. Richards reviewed the 2017-2018 work plan. She noted that the five-year work plan is an aggressive plan.

The accomplishments of the Planning Commission for 2017 were reviewed.

Ms. Richards noted that there is a lot of opportunity for Three Mile lane. She stated that this has not been looked at since 1995.

Ms. Richards shared that the Planning Commission would like to find out what the community feels makes a great neighborhood so that they will be informed on writing a plan that serves the community's principles.

Ms. Richards stated that it is important to understand what the buildable lands inventory is and shared that the City received a grant to conduct a buildable lands inventory.

Ms. Richards noted that they would be looking at adding a site and design review process for multi-family use that includes the Planning Commission and City Council.

She shared that they are also working on the economic development strategy. She stated that the City will be working with Community Attributes, a consulting company, to develop a strategy with other community partners.

Ms. Richards shared opportunities that will be considered in 2018 including:

- The Historic Preservation Plan.
- Industrial Land Use Classifications.
- A Park Zone.
- A University District.

- A Bike/ Pedestrian Plan.
- Entryways.

Planning Commission Chair Roger Hall thanked the Council for great appointments to the Planning Commission. He feels that there is a good balance. Mr. Hall stated that there are opportunities that may be missed by the Planning Commission and City Council not meeting together more frequently.

Vice Chair Zack Geary thanked and recognized Planning Director Richards for her efforts. He asked the Council to invest in Planning for the City. He noted that a lot of the work is considered catch-up. He agreed that it would be beneficial to work together more frequently. Mr. Geary asked for codes to be enforced.

The Council congratulated the Planning Commission for a job well done over the past year and their ingenuity and agreed that it is a good suggestion to meet and work together.

A Community Member asked about a zone change related to a multi-family project. Planning Director Richards stated that there is a multi-family project being discussed and they are looking at their options.

Discussion ensued regarding the importance of diversity on the Planning Commission and the efforts being made on outreach. City Manager Towery stated that the Strategic Plan will include a plan for outreach to underrepresented groups.

McMinnville Resident Mark Davis stated that he has been impressed with the work that the Planning Commission has been doing. He highlighted the importance of getting the public involved.

Mayor Hill stated that the 2018 Strategic Planning efforts will include a plan for community outreach.

Discussion ensued regarding projects in the Parks Master Plan.

5.c.

Green Cities Initiative

Ric Stephens, Instructor, Planning, Public Policy and Management – University of Oregon, stated that project based learning is very important to the students. He stated that the students, both local and international, studied the Three Mile Lane. He shared that there was a community charrette with over sixty attendees. The students prepared research papers and videos responsive to Three Mile Lane and planning and design concepts. Mr. Stephens noted that there were over two hundred recommendations by the students and twenty of those recommendations are being fine-tuned. The students felt that this was a transformative

experience. Mr. Stephens hopes that it will have a long term value to the students and the City.

Council thanked Mr. Stephens and the students for their work and their creative ideas and opinions.

6. RESOLUTIONS

- 6.a. **Resolution No. 2017-71:** A Resolution appointing and re-appointing members to the various Boards, Committees, Commissions, and Task Force.

Planning Director Richards shared that the available positions for the Affordable Housing Task Force, Landscape Review Committee and Historic Landmarks Committee were advertised. A committee met to interview and make recommendations on the appointments for each committee. It was noted that the only new appointment was Mark Cooley to the Historic Landmarks Committee. Mr. Cooley's experience and passion for preservation was discussed. The interview committee recommended re-appointing Elise Hui and Jon Johnson to the Affordable Housing Task Force, Sharon Gunter and Tim McDaniel to the Landscape Review Committee and Joan Drabkin to the Historic Landmarks Committee.

Councilor Garvin MOVED to adopt Resolution No. 2017-71; appointing and re-appointing members to the various Boards, Committees, Commissions, and Task Force; SECONDED by Councilor Stassens. Motion PASSED unanimously.

- 6.b. **Resolution No. 2017-72:** A Resolution approving the acquisition of property and permanent sight line from Wilmington Savings Fund Society FSB, dba Christiana Trust, for the NW Hill Road Improvements transportation bond project.

Community Development Director Bisset stated that the property is the last piece of property needed for the NW Hill Road Improvements Project. The purchase price for the property and easement is \$15,450.00 plus closing and escrow costs.

Councilor Ruden MOVED to adopt Resolution No. 2017-72; approving the acquisition of property and permanent sight line from Wilmington Savings Fund Society FSB, dba Christiana Trust, for the NW Hill Road Improvements transportation bond project; SECONDED by Councilor Stassens. Motion PASSED unanimously.

7. ORDINANCES

- 7.a. First reading with possible second reading of Ordinance No. 5045: An Ordinance amending Title 17 (Zoning) of the McMinnville City Code,

specific to Chapter 17.72 (Applications and Review process) to include neighborhood meeting requirements for certain types of land use applications.

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

City Attorney Koch read the title of Ordinance No. 5045.

Associate Planner Darnell explained that the proposed amendment would incorporate neighborhood meeting requirements into the land use application process.

The proposed amendments would require neighborhood meetings for most applications that also require a public hearing to be held by the Planning Commission. This will include the following types of applications:

- Annexation
- Comprehensive Plan Map Amendment
- Conditional Use Permit
- Demolition of National Register of Historic Places Structure
- Planned Development
- Planned Development Amendment
- Tentative Subdivision (more than 10 lots)
- Urban Growth Boundary Amendment
- Variance
- Zone Change

The neighborhood meetings would be held prior to land use application submittal. It was noted that this allows for early engagement in land use and development process, avoids confusion with the City public hearing process, and does not delay or conflict with the state statute required 120-day timeframe for City action on a land use application.

Associate Planner Darnell stated that the intention of requiring neighborhood meetings is to provide an opportunity to increase citizen involvement and allow for early engagement in the McMinnville planning process. He stated that neighborhood meetings are common in Oregon. He noted that a potential outcome of the neighborhood meeting process could be that developers voluntarily revise plans to address issues discussed at neighborhood meetings, which could reduce delays and continuances during the formal land use application review process. Mr. Darnell continued by discussing the meeting location and time, notification, agenda and evidence of compliance aspects of the neighborhood meetings. The notes from the meetings would become part of the public record.

Mr. Darnell proposed one additional amendment to the Ordinance that was not included in the Council packet related to the meeting time.

Discussion ensued regarding current dialogue and notification of property owners near vacation home rentals.

Planning Director Richards stated that notice is within 100 feet of a vacation rental applicant. She stated that she communicates concerns received with the applicant. She reiterated that neighborhood meetings provide dialogue early on in the process.

Councilor Jeffries MOVED to pass Ordinance No. 5045 to a second reading; SECONDED by Councilor Garvin. Motion PASSED unanimously.

City Attorney Koch read by title only for a second time Ordinance No. 5045.

Councilor Stassens MOVED to adopt Ordinance No. 5045 amending Title 17 (Zoning) of the McMinnville City Code, specific to Chapter 17.72 (Applications and Review process) to include neighborhood meeting requirements for certain types of land use applications; SECONDED by Councilor Ruden. Ordinance No. 5045 PASSED by a unanimous roll-call vote.

- 7.b. First reading with possible second reading of **Ordinance No. 5046**: An Ordinance amending 3.10.060, Systems Development Charges, Exemptions, of the McMinnville Municipal Code.

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

City Attorney Koch read the title of Ordinance No. 5046.

Planning Director Richards stated that the Ordinance is a recommendation of the Affordable Housing Task Force. She explained that the System Development Charge funds were seeing different levels of funding. She stated that there was some compression on the Parks Fund. The recommendation is to remove the Parks System Development Charge from the exemptions for qualifying affordable housing projects and to remove the annual allocation requirement of \$75,000 prior to City Council approval.

Council President Menke stated that as a member of the Affordable Housing Task Force the Task Force is in full agreement.

Councilor Garvin expressed concern with the annual limit being removed. He asked that there be a sunset clause so that the concept would be revisited.

Discussion ensued regarding impact. Planning Director Richards stated that there are three ways the concern could be addressed through: 1.

Building Reports, 2. Annually through the Affordable Housing , or 3. A Sunset Clause.

Community Development Director Bisset stated that the collection and expense of SDC Funds for wastewater and transportation would be discussed during the annual budget project.

Discussion ensued regarding financial reporting and adding a sunset clause.

City Attorney Koch recommended that Council review the amended Ordinance for a second reading at the next City Council Meeting.

Councilor Stassens MOVED to pass Ordinance No. 5046, as amended to provide for a three-year sunset clause, to a second reading at the January 9, 2018 meeting; SECONDED by Councilor Garvin. Motion PASSED unanimously.

8. ADVICE/ INFORMATION ITEMS

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

Councilor Stassens stated that there were great interviews with the top two consultants for Strategic Planning.

Councilor Jeffries briefed the Council on the Council of Governments (COG) Board Meeting. He stated that there were representatives from the League of Oregon Cities, School Board and County at the COG meeting. He stated that there will be a meeting coming up to discuss PERS options. He also noted that United States Department of Agriculture is talking with school boards about housing needs and how to work together on affordable housing. Councilor Jeffries shared that the COG dues have increased to \$15,366. The Economic Development dues have also increased. He discussed the small business loan program that the COG operates. Councilor Jeffries shared that this would be his last Council meeting and he has enjoyed serving.

Councilor Garvin shared that there was a Downtown Safety Task Force meeting last week and another one is coming up. The Task Force is looking forward to reviewing survey results.

Mayor Hill stated that there was a McMinnville Urban Renewal Agency Committee (MURAC) meeting where they discussed Streetscape Standards for the Alpine Area. He stated that Steve Rupp asked for support of public art. Mayor Hill stated that it might be beneficial to increase the number of voting members of MURAC to nine. Mayor Hill shared that the bypass ribbon cutting will be at 2:00 p.m. at December 18th, although it will not be officially opened until the end of the year or the first week of January.

ADD ITEM

Resolution No. 2017-73: A Resolution acknowledging the resignation of Councilor Kevin Jeffries, expressing the City's appreciation for his service, declaring a vacancy, and announcing the advertisement for qualified persons for appointment to fill the vacancy (Ward 1 with a term ending December 31, 2018).

City Manager Towery shared that Councilor Jeffries submitted his resignation. Mr. Towery reviewed the process and procedures outlined in the Charter for filling the vacancy.

Councilor Ruden MOVED to adopt Resolution No. 2017-73; acknowledging the resignation of Councilor Kevin Jeffries, expressing the City's appreciation for his service, declaring a vacancy, and announcing the advertisement for qualified persons for appointment to fill the vacancy (Ward 1 with a term ending December 31, 2018); SECONDED by Councilor Stassens. Motion PASSED unanimously.

The Council thanked Councilor Jeffries for his service.

9. ADJOURNMENT: Mayor Hill adjourned the Regular City Council Meeting at 9:23 p.m.

s/s Melissa Grace
Melissa Grace, City Recorder