

CITY OF McMinnville
MINUTES OF DINNER MEETING of the McMinnville City Council
Held in the Conference Room at the Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, June 11, 2013, at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present

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|----------------|--------------|
| Scott Hill | Kellie Menke |
| Kevin Jeffries | Alan Ruden |
| Paul May | Larry Yoder |

Also present were City Manager Kent L. Taylor, City Attorney Candace A. Haines, Planning Director Doug Montgomery, Community Development Director Mike Bisset, and a member of the news media, Nicole Montesano of the News Register.

DINNER

CALL TO ORDER: Mayor Olson called the meeting to order at 6:30 p.m. and welcomed all in attendance.

PUBLIC HEARINGS: City Manager Taylor advised that the first two hearings - on the Proposed 2013 - 14 Budget and the proposed uses of State Revenue Sharing for 2013 - 14 were both legislative in nature and required by state law.

Mr. Taylor went on to advise that the third Public Hearing - on the Proposed Transient Lodging Tax was a culmination of several discussions of the draft ordinance. All affected transient lodging proprietors have been sent notices. Additionally, both the Chamber of Commerce and the McMinnville Downtown Association are aware of the proposed ordinance and representatives from those organizations may speak during the public hearing.

ORDINANCES - Appeal of the McMinnville Planning Commission's decision regarding AP 1-13: City Manager Taylor advised that staff had drawn up the ordinance as the Council had requested at its previous meeting.

Downtown Economic Improvement District Ordinance: Mr. Taylor stated that because this ordinance had not passed unanimously at the May 28th Council meeting, City Attorney Haines would read the title of the ordinance for the second time. City Attorney Haines reviewed the Council's options regarding the proposed ordinance and noted that additional correspondence related to this matter had been received and was at each Councilor's place on the dais.

RESOLUTION - Authorizing the Mayor to Sign the Oregon Transportation Infrastructure Bank Loan Agreement: City Attorney Haines reviewed the changes in the proposed resolution that had occurred between the time the packets had been sent to the Council and the present. She advised that McMinnville was the first entity to go forward and that since the original interest quote was made, the interest rate had decreased. This decreased

rate will save the City nearly \$50,000 over the course of the loan. City Manager Taylor agreed and thanked Ms. Haines for her work on this project. He also recognized the efforts of Community Development Director Bisset and Finance Director Baragary.

ADJOURNMENT: Mayor Olson adjourned the meeting at 6:48 p.m.

Rose A. Lorenzen, Recording Secretary

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

Tuesday, June 11, 2013, at 7:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present

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|----------------|--------------|
| Scott Hill | Kellie Menke |
| Kevin Jeffries | Alan Ruden |
| Paul May | Larry Yoder |

Also present were City Manager Kent L. Taylor, City Attorney Candace A. Haines, Planning Director Doug Montgomery, Community Development Director Mike Bisset, Police Chief Ron Noble, Finance Director Marcia Baragary, and a member of the news media, Nicole Montesano of the News Register.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the meeting to order at 7:00 p.m. and welcomed those in attendance.

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

CONSIDER MINUTES: Councilor Hill MOVED to approve the minutes of the May 14, 2013 Dinner and Regular Meetings and the May 16, 2013 Budget Committee Meeting minutes as submitted; SECONDED by Councilor Ruden. Motion PASSED unanimously.

I PUBLIC HEARING

I-A

7:00 P.M. PUBLIC HEARING - Regarding the Proposed 2013 - 14 Proposed Budget as Approved by the Budget Committee: Mayor Olson opened the public hearing at 7:03 p.m. and stated that the public hearing was required by the State of Oregon and would be legislative in nature. He asked for public testimony.

Mark Davis, 652 SE Washington, stated that he had been very impressed with the May 16th Budget Committee Meeting. He noted that he was generally in favor of the budget as proposed; however, he was very disappointed regarding the loss of the Associate Planner position. He noted that his biggest concern was in regard to the City's streets and the State Gas Tax Fund. He felt that the City was building a deficit in that fund. By keeping City streets in good repair, the citizens are happy and the cost of maintenance to the street system is less in the long run. He pointed out that the Gas Tax Fund is not increasing as fast as the cost for repairs. In the past eight years, asphalt and other costs related to street repair have increased 181 percent. He said that he understood that the Council is trying to address the shortfall in transportation; however, the idea of raising taxes will be unpopular with some people.

No other public testimony was heard and Mayor Olson closed the public hearing at 7:12 p.m.

I-B

7:00 P.M. PUBLIC HEARING - Regarding the Proposed Uses of State Revenue Sharing for Fiscal Year 2013 - 2014 as Approved by the Budget Committee: Mayor Olson opened the public hearing at 7:12 p.m.

No public testimony was heard. Mayor Olson closed the public hearing at 7:13 p.m.

I-C

7:00 P.M. PUBLIC HEARING - Regarding the Proposed Transient Lodging Tax: Mayor Olson opened the public hearing at 7:14 p.m. and called for a staff report.

City Manager Taylor stated that at its 2013 Goals and Objectives session the City Council had identified exploration of a transient lodging tax as one of its goals. Several informal discussions were held and following a work session on the subject matter, a draft ordinance was crafted. Points coming from the work session included an eight percent room tax ceiling and the necessity of an advisory committee comprised of people from the lodging community and a Council member. He noted that this group would then make recommendations to the City Council.

PUBLIC TESTIMONY: McMinnville Downtown Association Manager Cassie Sollars and McMinnville Area Chamber of Commerce President Phil Hutchison spoke in favor of the proposed transient lodging tax. Each of them expressed their thanks for the ability to work with staff to create the proposed ordinance and that the tax could benefit all types of shops

and merchants. It could benefit all corners of the community including the City government. Ms. Sollars cautioned that she believed the overarching Plan must be adaptable because unseen needs and concerns will arise. She stated that she believed the City has crafted the ordinance wisely and at exactly the correct time.

Mr. Hutchison echoed Ms. Sollars remarks and related that the results of a 2012 Chamber member survey indicated overwhelming support of a transient lodging tax. The one consistent thought from members was that they need to be shown that the money would be well-spent. He related that when he was the Chamber Manager in Newport, Oregon, a transient lodging tax was implemented. At first, tourism was nearly nonexistent during the winter months and now Newport boasts a viable year-round tourism industry. He stated that he viewed the proposed tax very optimistically.

Each of the Councilors expressed positive feelings regarding the proposed tax.

Scott Cunningham, Community Plate and Walnut City Kitchen owner, expressed firm support of the proposed transient lodging tax. He expressed his belief that the proceeds of the tax will further promote McMinnville as an amazing destination for tourists.

Responding to an inquiry from Councilor Menke regarding the idea of a sales tax on restaurants, Mr. Cunningham stated that although a tax of that nature could very well draw local ire, visitors would expect the tax.

Mayor Olson stated that the enthusiasm for the tax was overwhelming. He also entered a piece of correspondence from Martha Carson, Martha's Vineyard West, into the record.

No further testimony was received and Mayor Olson closed the public hearing at 7:41 p.m. He advised that if the Council wished, the matter could be voted on at this meeting or it could be carried forward to the June 28, 2013 meeting.

It was the consensus of the Council to move forward on the ordinance at this meeting.

City Attorney Haines read by title only Ordinance No. 4970 adopting McMinnville Municipal Code provisions to incorporate a Local Transient Lodging Tax. (No Councilor present requested that the ordinance be read in full.) The title of the ordinance was read for the second time.

Ordinance No. 4970 PASSED by a unanimous roll-call vote.

II-A

REGARDING THE APPEAL OF THE McMinnville Planning Commission's Decision Regarding AP 1-13: Planning Director Montgomery stated that following the May 28, 2013 public hearing regarding Mr. and Ms. McCluskey's appeal of the McMinnville Planned Development Ordinance No. 4696, the City Council found that Section 2(3) of the ordinance was not in the public's best interest and directed staff to craft an ordinance that repealed Section 2(3) of Ordinance No. 4696.

City Attorney Haines read by title only Ordinance No. 4969 repealing Section 2(3) of McMinnville Planned Development Ordinance No. 4696. (No Councilor present requested that the ordinance be read in full.) The title of the ordinance was read for the second time.

Ordinance No. 4969 PASSED by a unanimous roll-call vote.

II-B

ORDINANCE NO. 4967 - EXTENDING THE DURATION OF THE McMinnville Downtown Economic Improvement Assessment District (AS CREATED BY ORDINANCE NO. 4373 AND EXTENDED BY ORDINANCE NOS. 4445, 4518, 4895, 4671, 4747, 4808, 4873, AND ORDINANCE NO. 4926) BY AMENDING SAID ORDINANCES, ADOPTING A PROPOSED ASSESSMENT SCHEDULE AND ROLL (Second Reading): Mayor Olson addressed the Council and stated for the record his confusion regarding this subject and apologized for his earlier comments. He noted the differences between the Economic Improvement District (EID) and the McMinnville Downtown Association (MDA). He clarified that the Council was voting on the EID, not the operations of the MDA. He stated his hope that all recognize the importance of the MDA and wanted all to know that the Council supports everything that the MDA does for the community. He specifically thanked Ms. Sollars for the communication that she is producing. He asked City Attorney Haines for a second reading of the ordinance.

City Attorney Haines read by title only Ordinance No. 4967 extending the duration of the McMinnville Downtown Economic Improvement Assessment District (created by Ordinance No. 4373 and extended by Ordinance Nos. 4445, 4518, 4595, 4671, 4747, 4808, and 4873) by amending said ordinances adopting a proposed assessment schedule and roll of the properties to be benefited.

Ordinance No. 4967 PASSED by a majority roll-call vote.
(NAY: Jeffries.)

III

OLD BUSINESS

III-A

QUARTERLY PROGRESS REPORT ON 2013 GOALS AND OBJECTIVES: City Manager Taylor stated that at the beginning of each year the City Council meets in a day-long goal-setting session. He noted that the first quarter update was before the City Council. He stated that each of the goals was listed, followed by a narrative showing progress. He

pointed out that significant progress has been made, including the passage of the Transient Lodging Tax.

Mayor Olson thanked Mr. Taylor and thanked staff for the excellent progress to date on the 2013 goals.

IV

RESOLUTIONS

IV-A

AUTHORIZING THE MAYOR TO SIGN THE OREGON TRANSPORTATION INFRASTRUCTURE BANK LOAN AGREEMENT FOR THE CITY'S SHARE OF THE LOCAL FUNDING MATCH FOR THE NEWBERG - DUNDEE BYPASS PROJECT: City Attorney Haines reviewed the process by which the state determined that they would act on the Newberg Dundee Bypass and that it would be paid for in part through local funds. She advised that Attorney Walt Gowell had discovered the Oregon Department of Transportation Infrastructure Bank which is carrying the loan for this project. She reviewed each of the pieces of the loan process and stated that the proposed resolution authorizes the Mayor to sign the loan documents. Each of the jurisdictions involved will sign its own loan agreements.

Mayor Olson pointed out that the interest rate on the loan is lower than originally thought, which will save the City approximately \$2,000 per year in interest costs.

Councilor Ruden MOVED to adopt Resolution No. 2013-14 authorizing a loan from the Oregon Transportation Infrastructure Fund by entering into a loan agreement with the Oregon Department of Transportation; SECONDED by Councilor Menke. Motion PASSED unanimously.

V

ADVICE / INFORMATION ITEMS

V-I

REPORTS FROM COUNCILORS ON COMMITTEE AND BOARD ASSIGNMENTS: Each of the City Councilors gave a brief report.

V-B

DEPARTMENT HEAD REPORTS: Each department head present gave a brief report.

VI

ADJOURNMENT: Mayor Olson adjourned the meeting at 8:15 p.m.

Rose A. Lorenzen, Recording Secretary