

**CITY COUNCIL MEETING
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January 18, 2011**

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City of Dundee
City Council Meeting Minutes
January 18, 2011

Call to Order

Mayor Crawford called the meeting to order at 7:00 PM.

Council and Staff Attendance

Present: Mayor Crawford, Councilors Miller, Munson, Nelson, and Pugsley. Absent: Councilor Adlong. Staff members: Rob Daykin, City Administrator, Cindy Phillips, City Attorney, Alan Mustain, Public Works Supervisor, and Debra Manning, Assistant City Recorder.

Public Attendance

Brian Ginter, MSA, Gary Manning, Randall Reddell, and Gary Allen, Newberg Graphic.

Agenda Changes:

None.

Public Comment:

None.

Consent Agenda

The motion was made and seconded to approve Consent Agenda item 5.2 Financial Report Ending December 31, 2010. **The motion** passed unanimously. Correction to item 5.1 City Council Minutes, January 4, 2011, page 7, City Administrator's Report: Councilors Pugsley and Adlong will work *with* staff to determine if there is an appropriate street tree which could be placed in the strip. **The motion** was made and seconded to approve Consent Agenda item 5.1 City Council Minutes, January 4, 2011 as amended. **The motion** passed unanimously.

Old Business

Well No. 10 Pump Repair

Brian Ginter, MSA, updated the findings from the well shaft video. He passed out photos, noting that the well casing and the rock in the bore hole are in good condition. The determination was made that rehabilitation of the well at this time will not be beneficial. The loss of capacity is due to the decline in the aquifer's recharge capacity as water is drawn down. Staff currently has to manually reduce the well flow rate when the water level drops too low to keep the pump from running dry. MSA recommends: 1) a new pump with a smaller capacity set deeper in the well, 2) installation of a pump control system (similar to what is installed at Well No. 9), and 3) installation of a well level transducer for monitoring.

Councilor Pugsley inquired if the variable flow would be automated by the well sensors. Ginter affirmed it would. Public Works Supervisor Mustain noted that there would be a power cost savings with the installation of a smaller pump.

Councilor Nelson inquired if there was any value in the old pump. Mustain advised there was not. He added that the cost is in the labor to replace the unit, not in the pump.

Mayor Crawford questioned the need for additional pump discharge columns. Ginter replied this would add additional twenty foot lengths of pipe to allow the pump to be set deeper. Crawford asked if this would increase the flow rate. Ginter advised it wouldn't.

The majority consensus was in agreement with the recommendations from MSA for Well No. 10. Daykin advised this will return for bid authorization.

Bond Counsel Services Agreement

K & L Gates was selected for bond counsel services at the January 4th Council. They have advised that they cannot issue an unqualified opinion based on the interim financing that the City is proposing. They have concerns with the debt limitation provision in the Charter. Their fee would apply as long as the interim financing term was not longer than one year, but there would be additional costs to go beyond a year. Also, an alternate interim financing proposal would result in a higher cost to the City. Mesereau Shannon LLP can issue an unqualified opinion and is supportive of the interim financing proposal developed by Western Financial Group, i.e. a bank line of credit for \$6.1 million backed by the full faith and credit of the City. Staff is recommending approval of Mesereau & Shannon LLP for bond counsel services for interim financing for the wastewater treatment project. The proposed fee is \$12,500.

Mayor Crawford pointed out that appointed officials and Council members can be held liable for debt in excess of the debt limit in the Charter. Daykin clarified the debt limit for bonded indebtedness at an estimate of \$3.4 million. The City Attorney issued an opinion, followed by Council adopted resolution that debt repaid with water and sewer revenues are not included in bonded indebtedness. City Attorney Phillips stated that the bond counsels are basically advising that they will review the issue further to deliver an unqualified opinion and that the Council interprets the Charter. The chances of a violation of the Charter provision by entering into revenue bonds (bonded indebtedness) are small. Court opinions hold bonded indebtedness not to mean revenue bonds, but general obligation bonds. It is Jordan Schrader's opinion to interpret the Charter in regards to the bonded indebtedness per the opinion issued. C. Pugsley inquired if Counsel looked for a historical interpretation. Phillips affirmed limitations on bonded indebtedness back to 1916. The City Council interpreted the Charter in Resolution No. 2010-16 passed on October 19, 2010.

The motion was made and seconded to approve and authorize the City Administrator to sign the engagement letter prepared by Mersereau Shannon LLP. **Question:** C. Nelson inquired the amount of the fee proposed by K & L Gates. Daykin noted Orrick confirmed their original proposal of \$15,000. K & L Gates proposal of \$8,500 would have to be negotiated for additional work to resolve their concerns with the Charter debt limit provision. Nelson questioned if the bond counsel would also be liable. City Attorney Phillips confirmed that they would. Daykin advised the range of fees in Mersereau Shannon LLP's proposal were driven by insurance costs associated with the amount of proposed financing. **The motion** passed unanimously.

New Business

Vacant Council Seat Selection Process

C.A. Daykin referred to the application for the vacant City Council seat included in the packet. A thirty day notice is required, with appointment for the vacant seat possible at the February 15th Council meeting. He inquired what process the Council wanted to use to fill the vacancy.

The Mayor confirmed there is currently one applicant. The majority consensus was to interview the applicants at the February 15th Council meeting with the existing questions on the application. The deadline for application is February 8th. It was noted that the item would be addressed early in the meeting to allow the seat to be filled for that meeting.

Kayak Shack Agreement

Mayor Crawford referred to the draft letter of agreement and the January 19th letter of response from Tom Edwards' attorney, Jessica Cain. The City's easement on Eighth Street does not extend to the proposed Kayak Shack location. The Edwards are requesting a license agreement to operate the park rather than an easement on the property. Crawford noted there are two ways to interpret the City's responsibility for the easement: 1) maintain to "improved City standards" or 2) maintained until developed, when the developer improves to the City's standards. The understanding of the City is the latter, when the developer improves the existing private road to City's standards as a public street. The letter of agreement was amended to reflect this on page 2 of the handout. C. Nelson suggested amending the wording from "make" to "maintain". Public Works Supervisor Mustain estimates the cost of asphalt for pothole repairs at \$1,000 to improve the road surface to "suitable for daily vehicle traffic". Crawford advised that three elements are needed to move the project forward: 1) the letter of agreement, 2) a conditional use application to the Dundee Planning Commission, and 3) a business plan. He asked for Council's permission to sign the letter of intent on behalf of the City to maintain the easement. Mayor Crawford and Councilors Pugsley and Munson are part of the Ford Family Cohort Group. **The motion** was made and seconded to authorize the Mayor to sign the letter of intent for the licensing agreement with the text amendment from "make" to "maintain" the road surface suitable for daily vehicle traffic. **The motion** passed unanimously.

ODOT Agreement-2011 SCA Grant

The 2011 Small Cities Allotment grant project is an overlay on First Street from Carmel Circle to Dogwood Drive with installation of a sidewalk on the north side. This will be brought back to the February 1st agenda with work orders for engineering services. The Laurel Street waterline is failing. Mustain advised the waterline is leaking with large rust areas. The recommendation is to include this with the SCA project; replace the current line with an eight-inch line and add a hydrant. The intent is to complete the project early in the year to take advantage of the current bidding climate and to allow submission of an application for next year's SCA project. **The motion** was made and seconded to authorize the Mayor and City Administrator to sign the 2011 Special City Allotment agreement with ODOT. **Question:** C. Nelson asked the rank for the overlay of the street. Daykin replied the original assessment for the street was a crack /slurry seal. Following the crack seal program, the condition of the street was determined to require an overlay to preserve the roadbed. **The motion** passed unanimously.

Councilor Munson expressed concern with vehicles using excessive speed on First Street. C. Nelson suggested including review of traffic calming options for First Street in the engineering of the project.

Council Concerns and Committee Reports

None.

Mayor's Report

Mayor Crawford will attend Senator Merkley's Town Hall meeting at the Yamhill Carlton gym. He asked for issues to bring to the meeting. The majority consensus was funding for the Newberg/Dundee Bypass. Crawford advised that there is a possibility that the current Federal earmark could be pulled. The Senator will be updated that the earmark is being used and ODOT will be asked to complete the expenditure of the earmark quickly.

The Mayor will meet with ODOT on February 1st to discuss the condition of Highway 99W in Dundee. The overlay has been delayed to 2013. Steven Cooley is Tim Potter's replacement for

this region. C.A. Daykin advised that the flag/pedestrian crossing issue would also be discussed at this meeting. C. Pugsley inquired about blinking lights for the crosswalks. Daykin clarified that ODOT will not allow blinking lights on the surface of the highway.

Crawford encouraged everyone to complete ODOT's Transportation Enhancement (TE) grant survey on the internet at <http://bit.ly/hkRYSQ> by the January 28th deadline.

The EPA has published guidelines on chromium-6 (hexavalent) analysis. Mustain advised that the lab the City uses does not do a chromium-6 (hexavalent) test; it is part of their total chromium testing. Crawford stated that chlorine treated water can cause chromium-6 (hexavalent) and the EPA is recommending cities test for it.

City Administrator's Report

C.A. Daykin and the Mayor attended the MWACT meeting at which the TE projects submitted within their jurisdiction were reviewed for recommendation to ODOT. The City of Dundee's project received the most votes from the membership of the top five projects.

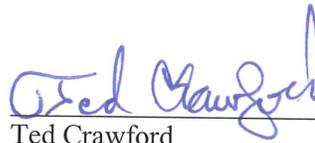
Daykin advised that ODOT's staff will use the TE survey input to prioritize a list of thirty projects forwarded to a selection committee, who will narrow the field to fifteen projects to forward to the Oregon Transportation Commission by May.

Hal Medici contacted C.A. Daykin and expressed appreciation for the Council's position as outlined in the letter written by the City Administrator. He will plan on attending the March 16th workshop on the Highway 99W corridor.

Public Comment:

None.

The meeting was adjourned at 8:13 PM.



Ted Crawford
Mayor

Attest:


Debra L. Manning, CMC
Assistant City Recorder