

**CITY COUNCIL MEETING
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**City of Dundee
City Council Meeting Minutes
February 2, 2016**

Call to Order

Mayor Russ called the meeting to order at 7:00 P.M.

Council and Staff Attendance

Present: Mayor David Russ, Councilors Ted Crawford, Doug Pugsley, Kristen Svicarovich, and Tim Weaver (7:04 P.M.). Excused Absence: Councilors Jeannette Adlong and Storr Nelson. Staff members: Rob Daykin, City Administrator, Shelby Rihala, City Attorney, Greg Reid, City Engineer, Michael Humm, City Engineer, Chuck Simpson, Utility Worker III, and Debra Manning, Assistant City Recorder.

Public Attendance

Daniel Danicic, Kevin Swanson, and Cody Wright, Purple Hands Winery.

Agenda Changes

None.

Public Comment

None.

Consent Agenda

Councilor Crawford questioned what budget line item would include taxes from Chalice Farms. City Administrator Daykin replied the General Fund under Tax revenue includes the local marijuana tax, as well as property tax and transient rental tax. **The motion** was made and seconded to approve Consent Agenda items 5.1 City Council Minutes, January 5, 2016, 5.2 City Council Minutes, January 19, 2016, and 5.3 Financial Report Ending December 31, 2015. **The motion** passed unanimously.

Old Business

Manholes Repair Contract Change Order

Change Order #1 reflects pricing from C-More Pipe to complete repairs to ten additional manholes. The Mayor questioned the cementitious mortar referred to in the email (packet page 47). Engineer Humm advised it is a two part repair which could be applied to areas with heavy damage to the pipe walls. Mortar injection is made to the backside of the manhole sealing the damage from the outside and a full coat spray application is applied to the inside which builds up the thickness of the wall. The defects located do not appear to need this application.

Councilor Crawford asked what pick holes are. Humm advised they are caused by the use of dowels during the casting of the pipe and appear as unfilled holes in the pipe. Crawford questioned what is causing the leaks. Humm responded causes appears to be a combination of high ground water and the nature of the crushed rock trench backfill which provides a path of least resistance for water flow.

Engineer Humm asked counsel's input on the Oregon Administrative Rule's requirement that no single change order is greater than 10% of the contract value or the cumulative of the change orders is less than 33%. He questioned exceeding that value and asked for a recommendation on how to proceed. City Attorney Rihala counseled this is an emergency contract under the

intermediate bidding; as such the threshold for an amendment is whichever is greater of 25% of the original contract price or \$150,000. Since the cumulative amendments do not reach \$150,000 we can move forward under the emergency intermediate procurement. Five more manholes have been identified for repairs. Humm asked if this should be pursued with the contractor and repair cost returned to the Council. The Mayor inquired if the project's budget could cover \$30,000. Daykin suggested an option of approving this change order and additional change orders not to exceed a cumulative amount of \$30,000 for the entire contract.

Councilor Svicarovich inquired if the five additional could be prioritized compared to the current manholes. Humm confirmed. He advised that the flows are varying with the rainfall amounts.

The motion was made and seconded to approve change order #1 in the amount of \$10,145 with C-More Pipe for the repair of ten additional manholes; additional repairs not to exceed a cumulative total of \$30,000 for the project. **The motion** passed unanimously.

10th Street Project Change Order

City Engineer Reid referred to the amended change order #1 at \$27,575.90, noting \$27,695.05 had been previously approved by the Council. The contractor could not keep ahead of the ground water. The ODOT storm sewer pipe is not sealed and the pipe segments have separated, allowing exfiltration. The sanitary manhole on Lumpy's side on the highway was installed. Groundwater appears to be flowing from a previously unknown pipe from the crawlspace under the Woman's Club building and from the unsealed ODOT storm pipe into the excavated area. Also, there was a broken section of the storm sewer running from Tenth to Eleventh streets. The itemized additional costs from Weitman Excavation, LLC had just been received prior to the meeting and review is pending; but Reid noted he does not agree with the downtime billings. The level of water over the pipe is ground water level. Reid approves of the cost changes due to the redesign of the manhole inlet installation caused by the complications and the plan to divert water to allow completion of the work. He will review the rest of the billing. Daykin noted item 50 relates to the ODOT pipe being nine inches from the location on the plan which will not allow alignment with the manhole and inlet by the curb. Engineer Reid identified the costs associated with the known changes to the project to keep the project moving forward. Councilor Pugsley asked for this issue to be referred to Councilor Nelson for his input. C. Svicarovich inquired the project completion date. Reid responded possibly the end of February if the issues get resolved. He advised the plan is to connect to the inlet at Ninth Street by the old Riteway Market and pump water over the highway to the inlet by Lumpy's to keep water out of the work area. He will address the concerns with the integrity of the storm sewer pipe with ODOT. C. A. Daykin asked for the authority to negotiate the change order for items 40, 45, and 50. Pugsley suggested emphasizing that we are paying item 40 even though we warned them of the issues. Reid will review the change to the unit pricing for the downtime. **The motion** was made and seconded to authorize the City Administrator and the City Engineer to pay for items 40, 45, and 50; emphasizing item 40 could have been anticipated and we will negotiate the other items on this project. **The motion** passed unanimously.

C.A. Daykin suggested the Council address New Business item 7.5 Planning Commission Appointments next with an applicant in attendance.

New Business

Planning Commission Appointments

Three applications were received from Kevin W. Swanson, Sara Whitfield, and Dustin Swenson. Kevin Swanson was present. C. Pugsley asked Swanson if he would have the experience to confront a controversial issue while maintaining a good collaborative relationship with rest of the commission. Swanson advised he considers himself to be steady and even-keeled. He will listen

to all sides before deciding on an issue. C. Crawford questioned his occupation. Swanson advised he works for a multi-national company from Ireland in the plastics division. It involves a lot of traveling. Swanson relayed it is important to him what Dundee will look like in the future. He wants to be a part decision process. C. Weaver questioned how often he is out of town traveling. Swanson replied he sets own schedule. **The motion** was made and seconded to appoint Kevin W. Swanson, to the Dundee Planning Commission with terms expiring December 31, 2019. **The motion** passed unanimously. **The motion** was made and seconded to appoint Sara Whitfield and Dustin Swenson to the Dundee Planning Commission with terms expiring December 31, 2019. **The motion** passed unanimously.

Old Business

City Charter Chapter XI Amendment

Two versions of a Charter amendment to Chapter XI were presented in the package for Council's consideration. The longer version amends each of the existing provisions, modifying the language, to comply with State law, removing some of the required voter approval and adding voter approval when certain conditions are met including extent of tax increment financing and the finance term. The short version has only provisions unique to Dundee on the debt limitation and tax increment financing. City Attorney Watts drafted the ballot notice of the measure of election. He cautioned that Urban Renewal is a complex process for the public to understand and there is not a lot of time to educate the public prior to the May election. Once the measure is filed for the election, City resources may not be used for public persuasion. He recommended waiting till the November election. The Mayor questioned why the summaries are different. Daykin replied staff can address inclusion of the additional wording for the summary. After further discussion the majority Council consensus supports the short version with the description from the longer version.

2016 Council Goals

The Council was asked to assign a priority to Objective #1 Secure Funding to implement a free-flowing traffic pattern at the south Dundee Bypass connection (FTF) under Goal #1. The majority consensus is priority 2. There were no other changes to the document. Nancy Boyer, Mid-Willamette Council of Governments, asked the Council to prioritize their top four objectives. Daykin asked the members to email the information to him; the top priorities will be brought back on a future agenda.

New Business

License to Use 12th Street Right-of-Way

Cody Wright, Purple Hands Winery, was present to answer questions regarding the request to install storm water treatment facilities; part of which will be located in the Twelfth Street right-of-way (ROW). The city has asked for an addition to the sewer easement to allow access to a manhole which is close to the property line to offset the use of the ROW and for additional fees for the legal review and document preparation. Twelfth Street provides access to Purple Hands Winery and the back lot of Chalice Farms. C. Pugsley inquired if this will be a functioning rain garden. Wright confirmed. **The motion** was made and seconded to accept the request from Purple Hands Winery for the use of 235 square feet of Twelfth Street for their rain garden and to authorize the City Administrator to execute a license agreement with Purple Hands Winery prepared by the City Attorney with compensation set as recommended by the City Administrator. **The motion** passed unanimously.

Locust Street Water Line Replacement Proposal

The developer of residential homes on Locust, Del Boca Vista, is required to install a new sewer main. There is an existing waterline which the city plans on replacing. The developer has

proposed to build the waterline to the city's specifications with reimbursement from the city for the work. Engineer Dan Danicic, Del Boca Vista, advised the cost is based on a quote from the Saunders Company, without the benefit of them having a design or knowing the site conditions. The design will be submitted to the city engineer for his review. C. Crawford questioned how soon they plan to build. Danicic stated one permit has been submitted; the expectation is all the building permits will be submitted in a couple of months. The Fire Department will use the house on the lot for a burn-to-learn. The new home pricing is estimated in the mid \$200,000 range. **The motion** was made and seconded to authorize the City Administrator to enter into an agreement to reimburse Del Boca Vista for the construction of an 8" ductile water line located in Locust Street in an amount not to exceed \$37,500. **The motion** passed unanimously.

Legal Services Agreement

Jordan Ramis PC has requested an increase to the \$250 rate set in 2009 for legal counsel's attendance at Council meetings. Their rate of \$500 per meeting would be difficult for the city. They proposed an increase of \$350 for the first year; with an increase to \$400 the following year. **The motion** was made and seconded to accept the changes to the council meeting attendance rate as proposed by Jordan Ramis PC, and authorize the City Administrator to sign the rate amendment to the legal services agreement. **The motion** passed unanimously.

Bond Refunding Analysis

The majority Council consensus was it will not be worth proceeding with the preparation of a financial analysis of the refunding possibility by a financial advisor. C.A. Daykin stated we could look for interest from an underwriter; but our debt is relatively small and the margin is tight. The Council supports staff soliciting proposals for refunding the loans.

Council Concerns and Committee Reports

C. Crawford advised that the architect for the façade improvements program has not responded. The committee is looking for another architect to complete façade improvement renderings at a cost of \$600 to \$1,000. The committee may start approaching the businesses to determine what improvements can be moved forward with.

C. Pugsley advised that the Harvey Creek Trail is holding up good through all the rain events. C. Crawford suggested trails could be added on the ROWs on Red Hills Drive and Red Hills Road. C. Svicarovich relayed that Red Hills Road may be paved. Crawford suggested asking Chehalem Parks and Recreation District (CPRD) to work with the county to place a trail; which could be then linked to the Harvey Creek Trail.

Engineer Reid clarified the Tenth Street project status: the last three items on the billing statement have been authorized for payment. Reid would like to negotiate for item 45 divert water upstream across the road. The rest of the billing will have to be negotiated. Mayor Russ replied the Council approved 40, 45 and 50; with the request to advise the contractor we are not pleased with item 40 and expect negotiations on the invoice. C. Pugsley stressed that C. Nelson should have input on the issue. The Council noted C-More Pipe is a local company, who bid the job in the middle of winter and should have known what they were bidding on.

Mayor's Report

The City of Dundee is will be hosting its own "If I were a Mayor" Contest through the Dundee Elementary School. This will allow us to focus on Dundee and to have first through third place winners in Dundee with a State finalist.

City Administrator's Report

North American Specialty Insurance, the representative for Baldwin General Contracting's performance bond, hired a forensic construction consultant. The consultant is questioning why it is defect in construction and not a design problem. There will be a meeting on Wednesday with representatives from Mckenzie Group, Baldwin, the bond company, our legal counsel and staff to discuss defect issues. Daykin clarified our position is it is construction defects as determined by our consultants; we will be observers at the meeting.

The Chehalem Valley Visioning Group's Elected Officials Dinner will be on Thursday, April 14th; social hour at 6:00 P.M. and dinner at 6:30 P.M. There will be an update of what has been completed during dinner and then a separation into small groups to identify and discuss six main themes.

The Mayor received a letter from Commissioner Starrett asking to hold a joint session with the Council (fifteen to twenty minutes) and then an open Town Hall. Daykin clarified the Commissioners are reaching out to all communities with the intent on improving communication. They do not have a set agenda; they would like to discuss relevant issues. Daykin proposed a Town Hall meeting at 6:00 P.M. and then they could join a regular Council meeting at 7:00 P.M. He inquired if the Council would like to meet with them in July or August; this would allow notice in the city newsletter. The majority consensus was for the City Administrator to pick a date.

Public Comment

None.

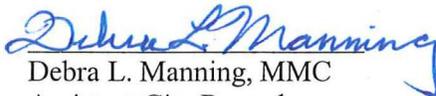
Executive Session:

The City Council entered Executive Session at 8:39 P.M. in accordance with ORS 192.660 (2) (h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. Executive Session ended at 9:00 P.M. and the Council did not reconvene.



David Russ
Mayor

Attest:



Debra L. Manning, MMC
Assistant City Recorder