

**CITY COUNCIL MEETING
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February 21, 2012**

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City of Dundee
City Council Meeting Minutes
February 21, 2012

Call to Order

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

Council and Staff Attendance

Present: Mayor Crawford, Councilors Adlong, Miller, Munson (7:18), Pugsley, and Reddell.
Excused: Councilor Nelson. Staff members: Rob Daykin, City Administrator, Justin Gericke, City Attorney, John Stock, Fire Chief, and Debra Manning, Assistant City Recorder.

Public Attendance

Jim Shannon, Mersereau Shannon LLP, Gary Manning, Darleen Skustad, Russ Skustad, and Truman Stone.

Agenda Changes:

Added item: Executive Session in accordance with ORS 192.660 (2) (e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions, prior to adjourning.

Public Comment:

A letter received from Arnie Heimbach was entered into the record in support of a new fire hall.

Presentation:

Police Chief Brian Casey

Newberg-Dundee Police Chief Casey updated the Council with a handout. The department has developed the following new programs:

- Domestic Violence Response Team (DVRT): 8 officers specifically trained in domestic violence and interview skills
- Community Outreach Program (COP): includes Safety Town for Kids, National Night Out, Polar Plunge and more
- Community Response Team (CRT): 2 officers to respond to long term problems including neighborhood issues and drugs
- Computer Crimes Unit (CCU): Computer Forensics unit

Activity report: 2009: 344 citations, 171 warnings, and 3190 service calls, 2010:279 citations, 418 warnings, and 2900 service calls, and 2011:404 citations, 516 warnings, and 3086 service calls.

Councilor Reddell inquired of any general trends in crime such as daylight burglary. Chief Casey noted that the cities of Newberg and McMinnville have experienced daylight burglaries. The trend in the criminal-justice system is to keep fewer people incarcerated for shorter periods of time. The department does very little marijuana enforcement/investigations since there are an estimated 80,000 Oregon sanctioned marijuana cards statewide allowing possession for medical purposes. Most burglary, theft and property crimes are drug-related. Councilor Pugsley inquired if a concern exists that people who have a marijuana card are dealing. Casey advised an estimated 90% to 95% of people arrested for selling illegal drugs have a medical marijuana card, however, it is difficult to catch them selling.

C. Reddell inquired the status of the Newberg Dispatch Center. Casey expressed concern that the Dispatch Center could be outsourced to Washington County with the City of Newberg's budget

shortfalls. Outside funding sources, out sourcing to Washington County or further staff reductions are considerations being discussed before the Newberg Council. Chief Casey encouraged interested parties to direct input on the Dispatch Center to the Newberg Council. A move to Washington County Dispatch would mean a huge reduction of services at almost double the cost (\$77,000 estimate) for the City of Dundee.

Consent Agenda

The motion was made and seconded to approve Consent Agenda item 6.1 City Council Minutes, February 7, 2012, 6.2 2012 Budget Calendar, and 6.3 Financial Report Ending January 31, 2012. **The motion** passed unanimously.

Old Business

USDA Rural Development Community Facilities Program

This returns from the February 7th meeting for further discussion and to receive input from the community on the loan term. The current rate for a USDA Rural Development Community Facilities loan is 3.75% fixed for either a 20 or 40-year loan. The City will enter into construction (interim) financing until the project is completed, at which time the City would close on the USDA loan at the rate locked in at the time of application approval (or a lower rate if rates drop in the meantime). The Rural Development loan program allows accelerated principal payments without a penalty. The benefits of a 40-year term include: the initial assessment rate/levy would be lower; more of the assessments would be paid by new development in the long run, and as new development grows the cost is spread over a larger paying population. Another factor to consider is the effect of inflation on the value of money over time. Assuming an average annual rate of inflation (2.5%), the total dollars spent on debt service for the 25-year and 40-year options are \$3,033,967 and \$3,226,971, respectively, calculated in 2012 dollars. Also, the longer term means a larger percentage of the total debt service on the fire station will be paid by taxes from new development. Daykin reviewed the 25-year and 40-year term options referring to the analysis in the packet.

C. Pugsley asked if the assumption is that property values will increase. Daykin explained the information presented shows only the difference in assessed value from new growth. Taxes are based on the assessed value of the property. Year to year the assessed value will increase 3% as provided by the state constitution as long as it doesn't equal or pass the real market value of the property. Assuming a fixed annual debt service, an increase in the assessed value from the constitutional limit 3% means an offset decrease in the levy rate to maintain the same levy amount each year. It is when there is new value added due to growth when the levy amount is spread to more properties and the levy rate decreases further.

C. A. Daykin shared that the Dundee Civic Association (DCA) is in favor of a 40-year term.

Gary Manning supported a long-term for the loan, where less is paid up front and there is a possibility to prepay the loan without penalty.

C. A. Daykin noted taxes can't be raised from the bond authority to pay off a 40-year loan early; you must use a different source of funds. Jim Shannon, Mersereau Shannon LLP, advised that once debt is incurred, you are obligated to impose the additional property tax to make the payments due during the fiscal year. You can't impose a tax to pay future payments. Oregon case law states you may not use other operating funds to make the payments, but you could apply donations, etc.

Truman Stone noted with the historic interest low rate, it makes sense to borrow funds for a longer time and have future growth share in the responsibility.

The motion was made and seconded to direct the City Administrator to prepare a pre-application to the USDA Rural Development Community Facilities loan program for financing the construction of a new fire station and pursue a 40-year term. **The vote:** Mayor Crawford-aye, Adlong-aye, Miller-aye, Munson-aye, Pugsley-aye, and Reddell-nay. **The motion** passed five to one in favor.

Fire Station Bond Measure – Bond Counsel, Jim Shannon

The City Administrator referred to components which need to be decided to place the bond measure on the May 15th election: the term, the dollar value, and the language for the summary statement. He expressed concern to word the measure to allow the city to move ahead with the project in some form with Dundee voter approval if the Rural Fire District's bond measure fails.

Jim Shannon, Mersereau Shannon LLP, advised the Council needs to adopt a resolution, with the ballot title attached, placing the measure on the ballot. This must be filed and approved by the County Clerk by 5:00 P.M. on March 15th to make the May 15th ballot. The ballot title is composed of three parts: a caption, a question, and a summary; with a word limit on each part. The general rule is to make it simple. The measure can be contingent on approval of the Rural Fire District bond or it can be made to allow the City to move forward, if the Rural Fire District's bond fails. The title can include that it can be paid by property tax or any other available city funds. A 500 word explanatory statement can be included in the County's voter pamphlet.

C. Pugsley clarified who drafts the explanatory statement. Shannon replied City staff will draft a factual explanatory statement, although he will review it. Mersereau Shannon LLP will draft the ballot title, work with the city attorney and staff to edit it, and bring it to the March 6th Council meeting.

C. Adlong restated the question for the Council to decide is if the project is contingent on both bonds passing. Daykin noted options:

- if the city measure passes and the district measure doesn't, the district can bring another measure back to the November general election
- move ahead without the district to work on a revised project such as a new building on the current site
- perhaps require a larger operating fee from the district with part of the fee dedicated to improvements with a new operating agreement between the city and the district, this may require the district to obtain a serial levy
- consider a supplemental revenue source (such as franchise fees), secured with a revenue bond

He suggested not wording language contingent on the district bond measure passing.

C. Pugsley asked Shannon if multiple options could be brought to the March 6th meeting, including an option educating the voters that the amount they approve could build a smaller project. Shannon suggested language in the ballot title describing the size of a smaller project and noting the project would be increased with approval of the Rural Fire District's bond measure. The Rural Fire District has a bond attorney. Shannon suggested coordination of the ballot titles for consistency.

Mayor Crawford noted that if the district's bond passes the City will enter into a twenty-five year/life of debt agreement for service fees based on the agreed formula.

Pugsley suggested two options: 1) no contingency based on district bond measure and a smaller project or 2) alternative funding sources.

Shannon noted land purchase has to be included in the ballot title; a smaller bond might not include the purchase of property. Daykin noted a rebuild on the current site might have future opportunities for nearby land purchase for expansion or parking. The district could initiate a serial levy at a later date for a different structure or property acquisition. There is a possibility of alternative funding (a grant) dependent on use of part of the space of the new facility for a community meeting area. Shannon added the best scenario would be to have the grant and include its funds in the explanatory statement. Voters depend on the explanatory statement for their information. The majority consensus was for Mersereau Shannon LLP to include an option to build a smaller project for the ballot summary. City Staff, with the help of Marcia Latta, will prepare the explanatory statement, which will be reviewed by Mersereau Shannon LLP and the Secretary of State's office.

2012 Council Goals

This is the final draft from the goal setting workshops. The City Administrator asked for any amendments. Councilor Adlong noted a correction on page 38 to Objective number 2 from Yamhill County Board to *Yamhill County Board of Commissioners*.

WWTP Change Order Proposal

The original bid documents for the Wastewater Treatment Plant included an option with Ovivo for guaranteed pricing for two additional submerged membrane units (SMUs). They are not needed at this time and may impede ease of maintenance of the existing SMU's by not allowing room in the basins for temporary placement. Also, the additional SMU's will not transition well with planned capacity expansion to accommodate future growth. The pricing information will help in the determination of future System Development Charges (SDCs). The engineer's recommendation is to not accept the change order. **The motion** was made and seconded to not proceed with the purchase and installation of two additional SMUs for \$134,818 as offered in the February 13, 2012 change order proposal from MSI. **The motion** passed unanimously.

New Business

City/County Dinner

The majority consensus was in favor of hosting the event at Red Ridge Farm. After discussion of options for the caterer, C. Adlong asked for the Assistant City Recorder's recommendation. Manning replied based on the fact that Red Hills Provincial Dining catered the event in 2008 and that the Council is trying to encourage new business, she would recommend Red Hills Market. **The motion** was made and seconded to approve the option of Red Ridge Farm with catering provided by Red Hills Market for the City/County dinner on August 16th. **The motion** passed unanimously.

Pick Up Truck Bids

Request for bids for a new ½ ton, V8, 2-wheel drive pickup truck, with an option for a V6 engine, was sent to twelve auto dealers. The old truck will be retained for this summer for irrigation work and then the disposition of the vehicle will be evaluated. The recommendation is to award the bid to the lowest bidder, Landmark Ford, in the amount of \$16,770.

C. Reddell inquired how many 4-wheel drives vehicles are in Public Work's fleet. Daykin replied three; this would be the only 2-wheel drive unit. Reddell expressed concern for the hilly landscape of the area versus the difference in price for a 4-wheel drive vehicle. Councilor Munson questioned the proposed usage for the vehicle. Daykin replied Public Works Lead Man Miller would use the vehicle for the WWTP facility, running samples, etc. Public Works Supervisor Mustain weighed the acquisition and operating costs versus the proposed usage for the

vehicle and concluded a 2-wheel drive vehicle is suitable. Fire Chief Stock advised that Public Works fleet is currently all 4-wheel drive vehicles.

The motion was made and seconded to award the bid to the lowest bidder, Landmark Ford for a Ford F-150 V6 pickup truck in the amount of \$16,770. Mayor Crawford questioned the location of Landmark Ford and the possibility of going with a local bidder. It was noted that Landmark Ford is located in Tigard. After further discussion of a preference for going with a local bidder the City Attorney asked for time to verify 1) that it is permissible to ignore the bids received and give a local preference to a higher bid and 2) can you invite a bidder to match the lowest bid. It was noted that defining local is difficult. Also, the process needs to be clearly explained to potential bidders in advance. C.A. Daykin suggested moving ahead with the purchase and narrowing the pool for future bids. **The vote:** Mayor Crawford-aye, Adlong-aye, Miller-aye, Munson-nay, Pugsley-aye, Reddell-nay. **The motion** passed four to two in favor.

Council Concerns and Committee Reports

C. Pugsley updated the Parkway Committee Workshop, held Thursday morning, included ODOT's Chief bridge designer. The focus was parkway and bridge themes to define visual and design elements for the Bypass from Rex Hill to Dayton, including agricultural aspects, trees, and river and vineyard views. It was noted that the theme will differ from Rex Hill through the cities of Newberg and Dundee. The designers will take into consideration the perspectives of both drivers and adjacent property owners.

C. Munson advised that the Tourism Committee formed a subcommittee to develop a request for proposal (RFP) for development of an identity plan for Dundee Tourism. Munson is waiting on information from Sheryl Kelsh, Chamber Valley Chamber of Commerce, on statistics specific to Dundee and its wine industry. The deadline for the RFP is March 30th. C.A. Daykin noted the cost of the project will be better estimated after interviews with the proposers. Mayor Crawford noted that Valerie Cutz has resigned from the Committee.

Mayor's Report

Representative Bonamici will hold a Town Hall meeting in Newberg at the Public Safety Building on Wednesday, February 22nd at 7:00 P.M.

The Transportation System Plan (TSP) Project Advisory Committee will meet Wednesday evening. C.A. Daykin advised the committee will review the process and schedule future meetings at Wednesday's meeting.

City Administrator's Report

The City Administrator and representatives from the City of Newberg met with Waste Management last week to continue the work on a new franchise agreement. He expects it will be brought back to the council in the next few months.

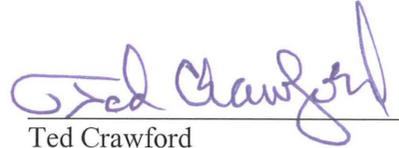
The City Administrator and Public Works Supervisor Mustain met with PGE on a new franchise agreement and discussed pole relocation issues. They are interested in ODOT's survey for the Dundee Transportation Enhancement grant project, which should be completed by March 20th.

Public Comment:

Gary Manning stated appreciation for the Council's decision to accept the lowest bidder for Public Work's truck.

Executive Session:

The City Council entered Executive Session at 9:03 P.M. in accordance with ORS 192.660 (2) (e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions. Executive Session ended at 9:30 P.M. and the Council did not reconvene.



Ted Crawford
Mayor

Attest:



Debra L. Manning, CMC
Assistant City Recorder