CITY COUNCIL MEETING
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City of Dundee
City Council Meeting Minutes
July 2, 2013

Call to Order
Mayor Crawford called the meeting to order at 7:02 PM.

Council and Staff Attendance
Present: Mayor Crawford, Councilors Munson, Nelson, Pugsley (7:27 PM), Russ, and Weaver. Excused absence: Councilor Adlong. Staff members: Rob Daykin, City Administrator, Charles Eaton, City Engineer, and Debra Manning, Assistant City Recorder.

Public Attendance
Scott Maytubby, Yamhill County Assessor.

Agenda Changes:
Item 6.2 OLCC Liquor License Application, Evening Land Vineyards was added to the Consent Agenda.

Public Comment:
None.

Presentation:

Property Taxes

Scott Maytubby, Yamhill County Assessor, gave an overview of the property tax laws and process. The Assessor's office administers senior deferrals, exemptions, special assessments, maintains ownership maps, and collects taxes. He reviewed a handout on the County taxing districts; noting the assessed values, real market values, the permanent rate, the compression and the distribution percentage. Although somewhat unique to Oregon, the distribution percentage method assumes the collection of taxes from any Yamhill County tax payer are apportioned to all jurisdictions levying a property tax on the basis of the certified levy as opposed to applying the taxes received to only the jurisdiction from which the property is assessed.

City Administrator Daykin noted the distribution method may negatively affect jurisdictions with refunds issued to high valued property located outside of the jurisdiction since the refund would reduce the collection of taxes to all jurisdictions. This would right itself in future years as the distribution rate is reset annually, however, some refunds are not resolved for many years and may result in a significant loss of tax revenue for the current year based on prior year's distribution rates. Maytubby stated he could mitigate that type of situation with a reserve account, a deferred billing account to hold levied taxes.

The second handout addressed Measures 5 and 50. Measure 5 (1990) separated and set limits on education ($5 per $1000 of real market value) and government ($10 per $1000 of real market value) districts. If taxes in either of those categories exceed the limits they are reduced until the limits are met under "compression" on an individual property basis.

Measure 50 (1997) limits the assessed value. It gave existing districts a permanent rate. It created new values, in addition to real market value (RMV) and specially assessed value (SAV), of maximum assessed value (MAV) and maximum specially assessed value (MSAV). The measure rolled back assessed values to 1995 with a 10% reduction (MAV) and it eliminated the equity provision in the Oregon state constitution. The maximum assessed value can grow at 3% a year as

long as the real market value is higher than the maximum assessed value. Exceptions to the 3% limitation include new development value.

Maytubby noted for some jurisdictions the effect of the Measure 50 permanent rate becomes evident with the loss of other large non-taxpayer/income streams. For example, a number of counties had very low property tax levies since they received federal timber payments. However, when those other resources decreased or ended; property taxes cannot be increased beyond the permanent tax rate without a vote. The Assessor's office lost staff due to Measure 50 since it was no longer deemed critical to maintain updated real market values. Industry standards call for inspection (updating land, depreciation, and onsite development schedules) of each property once every five years. Yamhill County was in compliance in 1996; but they are now behind and need to reappraise. New software will be implemented by the end of 2014. Maytubby will continue to lobby for additional staff. He estimated that there are hundreds of millions in additional assessed value in exceptions that are not being caught. Maytubby stated the permanent tax rate allows for properties of equal market value within the same taxing jurisdiction to be assessed taxes in different amounts. He reiterated that Measure 50 purposely eliminated the equity provision and is more about limiting government.

C.A. Daykin inquired how the values appear for ending December 31, 2012 for the 2013 levy. Maytubby replied they seem to be flat.

Councilor Nelson asked if the reassessments will be done county wide. Maytubby replied the plan is to divide the County into five areas with a completion date five years out.

Councilor Pugsley questioned the use of online appraisal data from sites such as Zillow. Maytubby stated the models are not very good, they buy data and use averages; not specific data for each property.

C. Nelson asked how often ownership records are updated. Maytubby replied they are a month behind; the intent is to catch by the end of September.

C.A. Daykin inquired if the operating/billing rate fluctuates from year to year dependant on the new value coming in and how it appears on the customer's bill for Urban Renewal Districts. Maytubby stated Urban Renewal Districts takes revenue from the other taxing districts. He noted the requisite for establishing urban renewal districts is to eradicate blight. All school districts loose funds unless the State can fund the property taxes diverted to urban renewal districts. Daykin asked if the new value is transferred back to the districts when the Urban Renewal terminates. Maytubby responded it could, but they usually do not terminate.

C. Nelson questioned the reduction in revenues from the prior year. Daykin replied a .5% on taxable value; with the anticipation of a 1.5% increase for next year. Daykin noted Dundee loses in the long run with its low permanent tax rate since its relatively higher aggregate total assessed value is diluted as a county-wide factor is applied to set assessed value for new development.

Consent Agenda

The motion was made and seconded to approve Consent Agenda items 6.1 City Council Minutes, June 18, 2013 and 6.2 OLCC Liquor License Application, Evening Land Vineyards. **The motion** passed unanimously.

Old Business

Water Line Relocation Bids

The bypass construction has a conflict with the existing City waterline at Eighth Street. ODOT is requiring the relocation with the intent to reimburse the City. Two bids were received from Northwest Metal Fab and Pipe, Inc and K&R Plumbing Construction Co., Inc. K&R Plumbing is the low bidder at $366,476. The bid includes an additional conduit for a future City utility at a cost of $65,254 which will not be reimbursed by ODOT. The Engineer recommends award of the bid; which is contingent on formal approval from ODOT. **The motion** was made and seconded to award the bid for the Dundee Eighth Street Waterline Relocation Project to K&R Plumbing Construction with a unit price base bid in the amount of $366,476 contingent upon concurrence from ODOT with the understanding that ODOT will reimburse less the $65,254 for the additional conduit. **The motion** passed unanimously.

Special City Allotment Grant

The proposed Dogwood Drive project was previously submitted in 2012 and 2013. Last year the project placed twelfth; with the first eight projects receiving funding. Our chances for funding in this next cycle appear good.

City Engineer Eaton advised there are a couple of issues to address: the intersection of Viewmont and Dogwood Drives and the road will be widened by two feet to meet ODOT's design minimums of twelve foot wide lanes. He noted drainage concerns.

C. Pugsley questioned placement of the bike lane on uphill side. Daykin noted you would otherwise lose the parking area currently used by residents on the opposite side.

Councilor Munson questioned the anticipated drainage problems. Eaton noted the road will be close to the hill with runoff on the paved road. The estimate includes extending the storm drains and adding inlets. He shared two options: 1) include a curb to reduce bank erosion or 2) invert the bike lane to handle the water flow.

Mayor Crawford suggested the possibility of additional points by noting on the application this is the main access to the Cemetery. Daykin shared the grant takes into consideration safety improvements, traffic volume, rating of the pavement surface, and how long since the last grant was received. Eaton suggested placing more emphasis on improving safety in the corner. A resolution will be brought back to the July 16th meeting.

Street Improvements – Phase 1

C. Nelson advised of a potential future conflict of interest with the project.

City Engineer Eaton reviewed city streets to identify those that would be easier to repair and not require more complex bid documents. Two projects were selected for this year. The first proposed project: Beech Street (10th to 11th), Eleventh Street (Beech to Elm), Maple Street (10th to 11th), and Locust Street (9th to 11th). The project mainly involves a 1.5" overlay and should be under the prevailing wage requirements. A thin lift, 1" overlay, is proposed for Beech Street. The streets will not require grinding. The second project would be Eighth Street (Maple to the end), to be partially funded by ODOT for use of Eight Street as for the Bypass construction truck route.

C.A. Daykin clarified the intent is to complete the work prior to ODOT's Bypass truck traffic. ODOT will use Eighth, Edwards, Fifth, and Parks. Councilor Russ questioned the need to prepare all the streets ODOT will use. Eaton replied Eight Street would be a permanent fix, Fifth Street at the railroad crossing will require more engineering and permits from the railroad, and Parks Drive was recently overlaid by the County.

C. Pugsley inquired what damages ODOT would reimburse. Eaton advised that ODOT prefers to provide a lump sum payment in advance. We are to give them an estimate, which Engineer Eaton prepared at $260,000. The intent is to have an IGA back to the August 6th meeting.

The motion was made and seconded to authorize staff to proceed with the design and bidding of the proposed streets for the 2013 Overlay project. **The motion** passed unanimously with C. Nelson abstaining.

New Business

Ordinance No. 520-2013, Repeal DMC Chapter 17.04

Chapter 17.04 of the Dundee Municipal Code currently provides for land use application fees; which may be adopted by either ordinance or resolution. Staff recommends repealing Chapter 17.04 and adopting the current fees by resolution which will allow the new Development Code to be adopted as Title 17 of the Dundee Municipal Code. **The motion** was made and seconded to adopt Ordinance No. 520-2013, an ordinance relating to Land Use fees repealing Chapter 17.04 of the Dundee Municipal Code. **The motion** passed unanimously.

Resolution No. 2013-09, Land Use Fees

The motion was made and seconded to approve Resolution No. 2013-09, a resolution establishing Land Use Application fees. **The motion** passed unanimously.

Parks Advisory Committee Appointments

Mayor Crawford asked for suggestions for a candidate for the vacant seat. C.A. Daykin noted the city is missing representation on the committee from the southwest quadrant of the city, and will be advertising the vacancy in the next City newsletter. The Mayor's recommendation is to reappoint the current members of the committee. **The motion** was made and seconded to accept the Mayor's appointments (Jeannette Adlong, Nick Gilbert, Joyce Stalcup, Jesse Dillow, Kimberly Felton, and Melody Osborne) to the Parks Advisory Committee. **The motion** passed unanimously.

Council Concerns and Committee Reports

C. Nelson asked for an update of the Fire Station project. C.A. Daykin advised the contracts have been executed as of July 1st. A preconstruction meeting is expected next week. Nelson asked the substantial completion date. Daykin noted 270 days from the notice to proceed for the entire contract. Nelson expressed concern to get the construction "dried in" prior to the rainy season.

C. Nelson inquired where the bypass construction trucks would originate from. Daykin replied staff is waiting on the intergovernmental agreement (IGA) from ODOT which should address the terms including the streets the trucks will use.

Mayor's Report

The Tourism Committee is providing walking maps of Dundee for the Fueled by Fine Wine swag bags. Work is progressing on website issues. C. Pugsley suggested addition of Paddle Launch cards to the swag bags. Mayor Crawford advised that Mr. Stoller will allow parking in his lot on Fifth Street across from Wine by Joe. The Newberg Dundee Police Department suggested closing Fifth Street from the orchard up the hill. Councilor Weaver expressed concern for traffic to have access to the Fifth Street light. He suggested closing the street for the start of the race and then reopening one-way downhill on Fifth Street to the light.

Members of the Parkway Committee traveled to Washington, D.C. to talk to the Undersecretary for US Department of Transportation (USDOT) to lobby for TIGER V grant funds for the Newberg/Dundee Bypass to correct the fishhook and add a pedestrian/bike trail. USDOT expressed concern with the timeline to allocate funds by September of 2014 as right-of-way acquisition might not make the deadline. It appears possible to receive a $10 to $15 million grant if the Federal Highway Department will obligate to the deadline. They were able to meet with Senators Jeff Merkley and Ron Wyden and Representative Susan Bonamici.

City Administrator's Report

An Open House will be held next Wednesday, July 10th, from 6:00 to 8:00 PM for the concept plan for the Sidewalk Streetscape project for Highway 99W.

The recommendation from the Planning Commission on the new Development Code format will be presented at the July 16th meeting. After further discussion of the option to review the document at a workshop prior to the Council meeting the majority consensus was to review the document at a regular Council meeting.

Steve Shropshire, Jordan Ramis PC, is arranging a meeting with Director Phil Ward, of Oregon Water Resources Department on July 22nd regarding the test well.

Public Comment:

None.

The meeting was adjourned at 9:28 PM.

Ted Crawford
Mayor

Attest:

Debra L. Manning, CMC
Assistant City Recorder