

**CITY COUNCIL MEETING
TABLE OF CONTENTS FOR MINUTES
August 5, 2014**

Call to Order	2
Council and Staff Attendance	2
Public Attendance	2
Agenda Changes:.....	2
Public Comment:.....	2
Consent Agenda.....	2
Old Business	2
Fire Station Project Update	2
Baldwin Construction Contract – Change Order 7	3
Sewer Smoke Test Quotes	3
Decommissioning Lagoon 1.....	4
Planning Commission Appointment	5
Roy Winery Fire Hydrant Proposal	5
Street Paving Bids	6
New Business	6
Resolution No. 2014-15, Enacts 1.5% PGE Fee	6
Parks Advisory Committee Appointment.....	6
Council Concerns and Committee Reports.....	6
Mayor’s Report.....	7
City Administrator’s Report	7
Public Comment:.....	7

City of Dundee
City Council Meeting Minutes
August 5, 2014

Call to Order

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

Council and Staff Attendance

Present: Mayor Ted Crawford, Councilors Jeannette Adlong, Jennifer Munson, David Russ, and Tim Weaver. Excused Absence: Councilors Storr Nelson and Doug Pugsley. Staff members: Rob Daykin, City Administrator, Peter Watts, City Attorney, John Stock, Fire Chief, and Charles Eaton, City Engineer.

Public Attendance

Kristen Svicarovich, David Harrelson, Isiah Cox, Michael Humm, Kennedy/Jenks, and Stan Primozich.

Agenda Changes:

Agenda item 12 Executive Session was removed from the agenda.

Public Comment:

Stan Primozich introduced himself to the City Council, noting his candidacy for Yamhill County Commissioner.

Consent Agenda

The motion was made and seconded to approve Consent Agenda item 5.1 Financial Report ending June 30, 2014. **The motion** passed unanimously.

Old Business

Fire Station Project Update

A recap of pay estimate #13 for Baldwin General Contracting for the month of July was distributed to the Council. Not including Change Order 7, the project is about 98% complete with \$207,203 remaining to be paid on the contract. Fire Chief Stock advised the old fire station has been demolished and the contractor has a punch list for work remaining on the new station. One issue that is being addressed is the installation of the resilient flooring. Immediately after the installation the glue failed, primarily at the edges and seams. As reported at the prior monthly update to the Council, the manufacturer's condition for installation is that a relative humidity of 85% or less for the concrete slab is required, otherwise the warranty is voided. The relative humidity readings were initially 95% and then increased to 99%. One option was to treat the surface of the concrete prior to installation, but the cost of the treatment was about equal to the value of the work. Instead the City agreed to a waiver to proceed with the installation without the additional treatment based on representations that it is not unusual to have higher than recommended relative humidity in a new concrete slab and that installations completed outside of the manufacturer's recommendations have few problems. The project team met with the product representative and the flooring contractor to evaluate the situation and possible solutions. The City will have Carlson Testing conduct additional relative humidity tests to determine if the conditions are more favorable for re-gluing. The good news is the majority of the product does not have a problem, and the areas affected have not been completed with accent pieces and accent pieces may be added to some of the affected areas. The additional cost may involve surface preparation work to remove the old glue from affected areas and some additional product.

The contractor will excavate an additional two feet under the old fire station slab to reach the correct working elevation. The determination will be made if the soils are suitable; earlier excavation found unsuitable soils requiring \$40,000 for over excavation. A placeholder of \$43,000 is included in the budget against the possibility of a repeat condition. Daykin noted that after allowing for estimated amounts for over excavation work in the parking area to be completed, final change orders and other costs, he estimated about \$15,000 in unexpended funds out of a \$3.8 million project budget. Staff will evaluate deleting a portion of the landscape work from the construction contract and consider installing it next spring as a City project.

Baldwin General Contracting, Inc. also updated their master schedule; paving of the parking lot is expected to be around mid-September with final completion of the project at the end of the month. It is likely that the City will need to extend the maturity date of the bond anticipation note with KeyBank since Rural Development requires about thirty days for closing out the loan. Councilor Adlong inquired whether the bonded property tax levy will be assessed for FY 2014-15. Daykin responded it depends on the timing of the Rural Development loan closing; the first annual repayment is due on the anniversary date of the loan closing date. If that date takes place after November 1st, then it would not be necessary to start the bonded tax levy this year. The City will have to make that decision by September 25th.

Baldwin Construction Contract – Change Order 7

C.A. Daykin provided a recap of change proposals approved, rejected and pending. The accumulated total of change orders approved to date and proposed Change Order No. 7 represents about an 8% change over the base bid. However, about 3% are for owner initiated changes, including adding back work that was removed from the bid set out of concern with the project budget. Examples include upgrading roofing over the training room to metal seam and upgrading the east apron from asphalt to concrete. In both of these cases, the increased cost provides longer life with lower maintenance. Another owner initiated cost includes placement of conduit for future undergrounding of overhead utilities and street light bases. Mayor Crawford inquired if McKenzie would be picking up the upgrade on the error on the drinking fountains. Chief Stock noted the bid set did not include what he originally requested, i.e. the drinking fountains be refrigerated. He explained that there were long runs of the water pipe through unconditioned areas before connecting to the drinking fountains. He considered pulling the drinking fountains out of the project altogether and installing them as a post-construction item, but the installed cost provided by the contractor is less than what he could purchase the units for. The Mayor asked about the flag pole. Stock replied the contractor will install a base for the pole, but the City will attach the flag pole to the base. **The motion** was made to approve Change Order No. 7 in the amount of \$11,792.82 to the contract with Baldwin General Contracting Inc. for the Fire Station construction project. **The motion** passed unanimously.

Sewer Smoke Test Quotes

Michael Humm, Kennedy/Jenks, advised bids were solicited from three contractors for sewer smoke testing. SFE Global and Michels submitted bids by the bid deadline; Bravo Environmental submitted after the deadline. The Engineer recommended that the bid from Bravo Environmental be considered a non-responsive bid due to lack of completeness, tardiness of the bid, and non-responsiveness to the engineer's requests. Kennedy/Jenks recommends the City proceed with smoke testing in both basins 1 and 2 with the low bidder SFE Global at the bid of \$24,000. Councilor Russ inquired how a resident could handle a situation where they receive an excessive amount of smoke in their dwelling from the testing. Humm advised that the notifications will provide information to the property owners. Also, the "smoke" is non-toxic and leaves no residue. **The motion** was made and seconded to accept the bid from SFE Global for smoke testing services in basins 1 and 2 in the amount of \$24,000. **The motion** passed unanimously.

Decommissioning Lagoon 1

C.A. Daykin noted that Mike Faha, Greenworks, raised the issue with the Parks Advisory Committee whether the ripping of the bentonite liner as part of the lagoon decommissioning process is necessary. The concern was the existing investment in the liner could be re-purposed for a pond feature in a future nature park. Staff contacted K & E Excavating, who will be on site with the Bypass project, for a bid on the lagoon project. They responded with favorable pricing, a project estimate of \$5,000. City Engineer Humm supported the pricing and the work that K & E Excavating has completed on the Eighth Street waterline project.

Humm advised that after completion of the Department of Environmental Quality's (DEQ) approved decommissioning plan the lagoons will be declassified as a sewage lagoons. They have been reclaimed with no restrictions on the functionality of the land. The process dries out the solids, mixing in dirt and then incorporating plantings. The plan includes the breaking up of the existing liner; which was completed at Lagoon 2. The water from Lagoon 1 was removed and processed through the wastewater plant. The solids are dry and ready for the addition of dirt and plantings. Modifications to the plan would require an amendment to the plan before DEQ. DEQ prefers unlined systems which allow the water to percolate through the ground. The question posed is will the existing lagoon hold water if the liner is removed. The Geotechnical report advises the soil is tight silt clay and they are expected to refill with rain water. Leaving the liner in place would take an amendment submitted to DEQ. Mayor Crawford inquired the time frame for that process. Humm estimated weeks to a month. He advised the approved plan is very cost effective. DEQ could make additional requirements during an amendment process, including additional sludge sampling.

Humm warned that the integrity of the liner after the decommissioning process is questionable. Councilor Adlong expressed concern to have an area that will retain water without grant funds from the State to build a nature park. Humm noted retaining the classification as waste water treatment grounds allows filling the lagoons with effluent recycled water without any additional issues and more flexibility in the use of the land. Kennedy/Jenks recommends maintaining the site as waste water treatment grounds and getting the lagoons reclassified as non-treatment lagoons. Daykin supports a nature park which will allow the WWTP capacity to provide additional treatment for issues/new regulations on the horizon addressing home care products and pharmaceuticals; processing the effluent through the lagoons and augmenting the MBR capacity of the WWTP. K & E Excavating has advised they can bring in fill to help accentuate the configuration of the ponds. He recommended at least decommissioning the east half of lagoon 1, leaving the western dikes intact to refill with rainwater, bringing in fill to reconfigure the rest of lagoon 2 and fill in the east half of lagoon 1 (currently subject to landslides and leakage on the Lindquist property).

The Mayor inquired if the MBR units could be updated to handle the additional treatment. Humm advised it would include infrastructure and equipment cost to make such an upgrade. Industry is leaning to a natural treatment system using an emergent wetland to provide the additional uptake and shading for temperature. Humm reiterated the city has the opportunity to incorporate the rest of the treatment grounds and maintain a definitive treatment boundary that allows the city the flexibility options to incorporate more natural treatment systems to generate a polished effluent for unknown future regulations. By maintaining the footprint, the City may take credit for any treatment the city obtains within the nature park setting. Daykin noted Kennedy/Jenks' experience with wetlands including Fernhill Wetlands. Humm relayed they are in active construction on the lower 60 acres of a 100 acres of emergent treatment wetlands at the Forest Grove Treatment Plant. The site includes divergent types of walking paths to accommodate bird watchers, power walkers, parents with strollers, etc. Daykin stated the workshop on October 28th will consider water supply options including: wells, recycled water, river water and combinations thereof.

Engineer Eaton expressed concern to refill the lagoons too quickly with effluent water which would kill off the new plantings and reenergize the lagoon.

Planning Commission Appointment

New Business agenda item 7.2 Planning Commission Appointment was relocated to allow input of the applicants. Two qualified applications were received for the vacant Planning Commission seat: Isaiah Cox and Kristen Svicarovich.

Isaiah Cox shared he resides on the riverside, is a member of the Budget Committee and is involved in his church. He is concerned with safety in the city. Cox works on developing new products for PGE and feels he can put this experience to use on the Planning Commission.

Kristen Svicarovich works for DKS Associates on transportation engineering and planning including: bicycle and pedestrian designs, roadway lighting, and updating transportation system plans. She is passionate about living in Dundee and wants to be able to help make it a better city. Mayor Crawford inquired if DKS Associates would have any issues with Svicarovich being on the Planning Commission. Svicarovich advised of discussion with her Office Manager; who is good with an appointment. She would have to recuse herself on issues where DKS Associates was involved.

Mayor Crawford encouraged the applicants to run for the open Council positions. After further discussion **the motion** was made and seconded to appoint Kristen Svicarovich to the Dundee Planning Commission with a term ending December 31, 2017. **The Vote:** Mayor Crawford-nay, Councilor Adlong-aye, Councilor Munson-aye, Councilor Russ-nay, Councilor Weaver-aye. **The motion** passed three in favor.

Roy Winery Fire Hydrant Proposal

Roy Winery will be constructing a winery and tasting facility on Worden Hill Road. In lieu of constructing an underground water tank for their required fire suppression, they propose the installation of a hydrant on their property that is connected to the City water system. In exchange for use of City water for fire emergency purposes only, staff requested Roy Winery upgrade the existing eight-inch water line with a twelve-inch line along the frontage of their property. The existing water line is constructed of asbestos/concrete pipe and is prone to leakage. The cost for a ductile iron line is higher than the winery expected; estimated at \$84,000 to \$94,000. Staff supports a payment of \$14,000 toward replacement of the line to City standards. Daykin noted the Water Master Plan recommends that line be upgraded to a twelve-inch line to improve fire flows in Dundee. Staff's recommendation is to accept the proposal.

The Mayor noted it is cheaper for them to install a water tank and questioned why they are willing to proceed with the proposal. City Engineer Eaton advised of discussions of ongoing tank maintenance. Daykin clarified that the City is not providing water to the winery. Eaton advised the installation would involve a four hour shut down on water from the line. Daykin clarified the line feeds the intermediate and high zones. Staff will ensure the lower reservoirs are full during the process. At some future date the old asbestos/concrete water line will need to be replaced from the winery property to Red Hills Drive.

The motion was made and seconded to authorize the City Administrator to execute an agreement with Roy Winery, that is approved by the City Attorney, providing for installation of a ductile water line and fire hydrant as proposed and constructed by Roy Winery, providing the City access and use of the hydrant, and payment of \$14,000 to Roy Winery for completion and acceptance of the water line by the City Engineer. **The motion** passed unanimously.

Street Paving Bids

Seven bids were received from: Brix Paving Company, Kodiak Pacific Construction, North Santiam Paving, Roy Houck Construction, Knife River, Kerr Contractors Oregon, and Baker Rock Resources, LLC; with Baker Rock being the low bidder at \$135,762 (within the city's budget). This includes the city receiving the grindings for use in the Viewmont Greenway Park. Staff recommends awarding the bid to Baker Rock for a contract amount of \$135,762. **The motion** was made and seconded to award the 2014 Street Overlay Improvements project to the lowest, most responsive bidder, Baker Rock Resources, LLC in the amount of \$135,762. **The motion** passed unanimously. Work should start late August.

New Business

Resolution No. 2014-15, Enacts 1.5% PGE Fee

This returns to address the issue of providing additional resources to the Street CIP Fund; which has seen a decline in revenues from the State registration fees and the local gas tax and is funding the loans for the local match for the Bypass and the overlays. The additional 1.5% PGE franchise fee would generate additional revenue which could also help fund the conduit for the future undergrounding of Frontier and Comcast utilities along Highway 99W. The resolution earmarks the funds for undergrounding utilities and transportation improvements in the Street CIP Fund. PGE is good with the format of the resolution and confirmed this could go into effect on October 1st. Staff recommends proceeding with the resolution.

C. Adlong inquired if this fee could be terminated at a pre-determined date. Daykin confirmed it is an option; but did not support it considering the extent of projects to be completed. City Attorney Watts noted that many cities are concerned with the decrease in the amount of revenue for street repairs and are adopting this method of additional funding. Mayor Crawford supported this as a way to spread part of the cost of the Transportation Enhancement project throughout the city. Engineer Eaton noted another transportation funding option is a Street Utility fee. Crawford also supported increasing the local gas tax to \$.03 and an increase to the Transient Lodging tax. Daykin noted there will be an opportunity to increase the franchise fee with Northwest Natural Gas with the franchise negotiation underway.

The motion was made and seconded to approve Resolution No. 2014-15, a resolution directing Portland General Electric Company to pay an additional one and a half percent of gross revenues received from customers within the City of Dundee on a quarterly basis. **The motion** passed unanimously.

Parks Advisory Committee Appointment

C.A. Daykin noted although the applicant resides on the same street as the majority of the existing members of the Parks Advisory Committee, the vacant position has been open for several years since the resignation of Dave Bergen and there will be an opportunity to reset the membership next year since all of the citizen members' terms expire June 30, 2015. **The motion** was made and seconded to confirm the appointment of Teresa McIntosh to the Parks Advisory Committee. **The motion** passed unanimously.

Council Concerns and Committee Reports

C. Adlong expressed concerns with views obstructed by trees planted on neighboring properties. She polled the Council to determine if there is support to investigate tree regulations to protect a homeowner's view. The majority consensus was interested.

The Tourism Committee is focusing on marketing. They provided the Dundee notebooks to the Fueled by Fine Wine Half Marathon and will be providing them to the upcoming Wine Country Half Marathon. They are working on a card rack brochure which will include an advertising

postcard. The committee is looking for content to include in their electronic newsletter; which they would like to publish two to three times a year.

Mayor's Report

The Mayor shared there are several vacation rentals in Dundee, whose websites note they are collecting the 7% Transient Lodging tax; but they are not paying taxes to the city. He asked for the Planning Commission to address the issue of regulations for vacation rentals. City Attorney Watts stated if vacation rentals are conducting rentals of less than thirty days in duration, they are obligated to pay the tax; whether or not the city's tax recognizes vacation rentals. He suggested the city impose the fine allowed and publicize the enforcement with the knowledge that a vacation rental has been rented and the tax has not been paid. He advised the key to enforcement is not making everyone pay the tax, it is making all know that the city will selectively audit and enforce the regulation. What counsel has observed in other cities is once one is fined with a public notice; then they all start paying the tax. Staff will follow up on the issue.

The Mayor praised the handling of the Jennifer Huston missing person case by the Newberg-Dundee Police Department.

City Administrator's Report

A right of entry agreement was obtained from Stu Lindquist for the drilling of the two-inch diameter observation well on his property. This will accommodate the scenario preferred by the hydrologist, that is drilling the test well near Well No. 4 and having the observation well in the most direct path between the test well and the river. The driller is mobilizing this week and should start flow testing the following week.

Daykin reported he received a complaint regarding the placement of a temporary storage unit on a city street. Although the Dundee Municipal Code prohibits storage of personnel property for more than 24 hours on a city street, it is not uncommon to see boats, trailers, and storage units stored on the streets for longer periods. He understood the City of Newberg allows for a permit process for a longer duration and he will be researching this issue and bring back options for consideration.

A complaint was received from a property owner adjacent to the Upland Reservoir regarding moles. In looking at some options, there is a service that will trap and remove the moles for \$150 per three-month period plus \$35 per mole trapped. The Council did not deem it necessary to incur the expense of hiring a mole removal service.

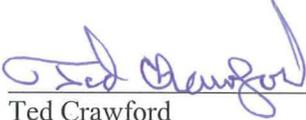
The kick-off meeting for the Public Works building will be on August 6th.

Regarding the June 30, 2014 Financial Report, which reflects the end of the fiscal year; there were two incidents that expenditures exceeded budgeted appropriations. The total Community Development was \$1,330 over the department level budget of \$90,500, however, this dealt with closing out costs incurred in June that were processed after the end of the month to match the exceptional fee revenue in that same time period. The other involved the materials and services category budget of \$154,500 being over \$3,313 in the Fire Station Construction Fund. In that case invoices for architectural services were re-billed and processed late and the billing for legal fees was higher than expected. Both of these are minor violations and could have been addressed by Council resolution, but the information was not available until after the end of June. Staff reviewed this with the auditor, who noted that it is still preferable to match the expenses to the correct time period as opposed to carrying the bills over to the next fiscal year.

Public Comment:

None.

The meeting was adjourned at 9:45 P.M.



Ted Crawford
Mayor

Attest:


Debra L. Manning, MMC
Assistant City Recorder