

**CITY COUNCIL MEETING
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September 16, 2014**

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City of Dundee
City Council Meeting Minutes
September 16, 2014

Call to Order

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

Council and Staff Attendance

Present: Mayor Ted Crawford, Councilors Jeannette Adlong, Jennifer Munson, Storr Nelson, Doug Pugsley, and David Russ. Excused Absence: Councilor Tim Weaver. Staff members: Rob Daykin, City Administrator, Peter Watts, City Attorney, Jessica Pelz, City Planner, Michael Humm, City Engineer-Kennedy/Jenks, and Debra Manning, Assistant City Recorder.

Public Attendance

Jackie Lang, Waste Management, Kathy Tri, Pool Committee, Jim Seymour, Pool Committee, Dixie Hancock, Cathy Martin, and Greg Reid, Streamline West Engineering, LLC.

Agenda Changes:

Item 13 Executive Session was removed from the agenda.

Public Comment:

None.

Presentation:

Green4Growth Grant

Jackie Lang, Waste Management (WM), passed out a handout to the Council members on the Green4Growth Economic Development Investment Grant and the Riverbend Master Plan. Every year WM hosts a conference celebrating community partnerships, with their National suppliers, at a different location across the country. The Yamhill County Commissioners were asked for their input as to the best use of funds raised from the conference for the community. The commissioners recommended donations for economic development. Commissioner Springer suggested allowing the cities to make the decision as to how the funds should be spent with each city eligible for an equal award. WM is donating \$150,000 to Yamhill County; a \$15,000 grant for each city in the county. A grant application will need to be submitted that specifies how the funds will be used to address economic need or opportunity.

Riverbend Landfill Master Plan

The Riverbend Landfill Master Plan will allow a low transportation cost and a steady revenue stream to Yamhill County for fifteen years and allow time to plan for the future. The landfill will be expanded to thirty-seven acres (down from the proposed 100 acres) without any additional increase in height. Operations will be concluded in fifteen years (2029). The process should be completed by year end with Yamhill County and then the process moves forward to the Department of Environmental Quality (DEQ) in 2015. WM is committed to the idea that waste can be used to generate energy or clean fuels. One of their long-term goals is to convert all of their vehicles to natural gas. They are reserving twenty-five acres for green technology.

Councilor Adlong inquired: 1) if the landfill mountain would be a permanent feature of the landscape after the landfill is closed, 2) when the land could be used for a public purpose, and 3) WM's definition of stewardship. Lang replied a closure plan would be developed with DEQ. It would involve capping the top of the landfill with different layers of soil and planting with native grasses. The mass will settle between ten and twenty percent overtime. Parts of the landfill have

already been covered with soil and hydro seeded; but some of the slopes are still being filled. It is expected that it will be capped and planted in four to six years. The landfill is 135 feet high at the tallest point and will look like a natural hill. The Stewardship Committee wants input as to what the land should be used for: trails, a wildlife refuge, etc. WM will be the steward of the landfill for thirty years beyond closure. This involves making 450 acres available for community benefit with some of the land returned to agriculture. The first project is a collaborative farming project, on fifty-nine acres. This will help people who do not have the resources to get into farming and will provide a community food system. A lot of the stewardship land is currently farmed. The property will be ideal for trails with a plan under development. Councilor Pugsley inquired if the property could accommodate waterways for kayaking, etc. Lang advised that water trails have been suggested; but not explored.

Councilor Russ asked if WM would be open to a private entity interested in mining the landfill. Lang advised it is currently not economically viable; but it could be in the future.

C. Nelson questioned what happens to the service rates for Dundee customers when the landfill closes. Lang replied that residential rates would increase by a few dollars a month; large waste generators would see the most impact due to the increase in transportation costs.

November 4th Bond Levy

Kathy Tri, Pool Committee, updated the Council on the process of placing a bond measure on the November ballot for renovation of the pool at the Chehalem Aquatic Center. The pool is at the end of its life and is starting to have major issues including leakage and deterioration of the concrete. The plan includes:

- maintaining the existing building and keeping the pool open during construction
- building three pools
 - a competition pool
 - a recreation therapy pool with access for the disabled and a shallow area for swim lessons
 - an outdoor twenty-five yard pool
- expanding family restrooms
- retaining the spa
- improving the men's and woman's locker rooms
- rental rooms
- infill of the old pool to use as a gym with a second floor jogging/walking track
- moving the weight training room/fitness center upstairs and retaining the current equipment
- a new entrance along the north side with the parking lot expanded to Sitka Street
- preserving the park

The goal is for the facility to be a revenue generating facility. The pool will be able to remain open to the general public during special events; whereas currently it is closed to the public at such times. The committee is promoting the \$19.9 million bond measure with an annual estimated cost of \$90 on an assessed value of \$200,000. The pool will be closed during different parts of the project; but swimmers will have access to the Sherwood YMCA's pool.

C. Nelson questioned the possibility of another access/exit point to the parking lot. Tri advised the travel lane will be wide enough to handle two-way traffic and emergency response vehicles. Sitka Street could be considered in the future.

Jim Seymour, Pool Committee, shared that he didn't have access to a pool as a youth and still retains a fear of the water; whereas his kids, having the exposure to the pool, are not afraid of the water. He noted the pool is a big draw for the community.

C. Adlong expressed concern that Chehalem Parks and Recreation Department (CPRD) has not set aside funds to contribute to the project. Tri relayed it is not unusual to finance large capital improvement projects with bonded debt. A goal of the project is to attract a large variety of users to ensure it does pay for itself by including revenue generating additions to the facility which are planned to pay for the costs of operation and maintenance. Adlong inquired if fees will increase. Seymour advised the plan is not to increase fees. The community was surveyed as to what they wanted. The committee considered what could be deleted from the project and specifically looked at the gym and the jogging/walking track; but there was not enough savings to support the deletion especially considering the public support for the items. C. Nelson reminded the Council members that CPRD has contributed the land and operational and maintenance costs.

Consent Agenda

The motion was made and seconded to approve Consent Agenda item 6.1 City Council Minutes, August 19, 2014, 6.2 Special City Council Minutes, August 27, 2014, 6.3 City Council Minutes, September 2, 2014, and 6.4 Financial Report Ending August 30, 2014. **The motion** passed unanimously.

Old Business

WWTP Sewer Outfall Repair Quotes

City Engineer Michael Humm, Kennedy/Jenks, addressed the slide mitigation project on the backside of Lagoon 4 and the starting point of the swale outfall to the Willamette River. The engineers have been monitoring the toe (bottom) of the slope and noticed that it did not dry out over the summer. Shannon and Wilson Geotechnical Engineers visited the site and recommended a stabilization project. Four contractors reviewed the plan onsite and three responded with quotes included in the packet. It will be a quantity materials project with an estimated cost; which will become clearer as work progresses.

C. Pugsley asked if the cause was a failure in the outflow from Lagoon 4. Humm clarified that the water saturating the toe is believed to be seepage from the Lagoon 4 dam. It is typical for seepage to occur where the dam interfaces with an existing slope; at either end and across the bottom. A portion of the project is to capture the seepage and to direct it to the storm water ditch which outlets below the dam. Two concerns are 1) water from the outfall could cause failure of the existing slope with significant erosion that could breach the integrity of the dam and 2) it would be a violation of the DEQ discharge permit if the swale fails and allows the treated effluent to mix with the stream below it prior to reaching the river. Pugsley questioned the native spoils dump location at the former lagoon 2 site. Humm noted this was provided to the contractors to indicate native material to be hauled out for disposal.

C. Nelson inquired when this was first noticed. Humm replied the slide happened soon after it was brought on line. The exact cause was not determined. It was noted the slide liner extended above the pipe boot and the suspicion is water entered behind the pipe and under the swale. Interference from a seasonal spring could also be a contributing factor. Shannon and Wilson determined the swale to be stable and it was covered with tarps and monitored.

C. Russ questioned if the project is large enough to consider lateral seepage. Humm stated it is unknown how far back it goes. The intention is to place rock and perforated pipe; which should alleviate the water issue. They have to reach a firm and stable subgrade on the keyway

construction (deep enough to be below the slip plain) to collect and discharge into the natural storm water ditch to the Willamette River.

The motion was made and seconded to award the Lagoon 4 stabilization project to K & E Excavating, Inc. at an estimated project cost of \$41,790. **The motion** passed unanimously. **The motion** was made and seconded to approve the proposed scope of work for Shannon and Wilson, not to exceed \$9,000, and to approve an additional budget for Kennedy/Jenks of \$3,200 as related to the Lagoon 4 stabilization project. **The motion** passed unanimously.

Decommissioning Lagoons

Work has progressed on removal of the liner from Lagoon 1. Some areas of the lagoon is retaining standing water due to heavy vegetation. Several contractors involved in the Bypass project are looking for disposal sites for material from the Newberg Phase. Staff believes the fill material could facilitate improvements for the future nature park. City Engineer Humm has been asked to estimate how much fill material is needed and provide a rough grading plan in preparation of a final grade format when funding is available for improvements. He relayed there is an opportunity to strike an agreement that in return for the short haul distance the contractors would provide clean fill material and some preliminary grading; no fixed configuration. The estimated fill need is 150,000 yards of non-compacted fill. C. Nelson estimated clean fill charges at \$3 a yard.

C.A. Daykin reminded the Council that city staff will have to maintain the property in the meantime and the slopes need to be reasonable to facilitate mowing. He suggested the need for additional public input followed by further work by Kennedy/Jenks to update the nature park concept plan. Humm stressed it is necessary not to lock in a configuration at this point as there are many items to consider: the water flow path, trails, parking, etc.

C. Adlong asked the timeframe to start with the fill material. Humm replied this fall. She inquired if there would be any soil testing to determine quality. Humm stated the process is a visual inspection to determine if the dirt is clean. He noted ODOT's contractors are responsible for the lawful disposal of all excavated material. The city engineers will work with ODOT's onsite inspections.

Public Works Building Update

The Council requested to be included in the color selection for the proposed Public Works building. A color chart, with a limited selection, and photos of the existing buildings onsite was distributed to Council members. The Engineer's recommendation is to match the existing color scheme of the buildings onsite. The majority consensus was for Surrey Beige for the bulk of the building with a Terra Cotta trim and a Medium Gray roof.

Underground Tanks

Greg Reid, Streamline West Engineering, LLC, referred to the copy of the proposal distributed to the Council. Excavation was completed to fifteen feet; ground water was hit at ten feet. An estimated 640 cubic yards of material has been stored at the Wastewater Treatment Plant (WWTP). The tank pit was sampled with the result of high photoionization detector (PID) meter readings. Excavation was stopped to the south to remain away from the footings of the fire station. A clean bottom sample was retrieved at nineteen feet. The analytical results came back favorable, partially because the material is old and ready to go volatile. They were not able to retrieve a clean ground water sample as the water mixed in with the dirty soil. **Three options:**

- 1) Go with the analytical work we have and try to get a closure report. DEQ will require a clean ground water sample and characterization of the contamination plume.

- 2) Monitoring wells could be installed. This is the worst case costly scenario requiring sampling every four months with reports to DEQ. This is not recommended at this time.
- 3) Return with additional characterization, with the clean soil sample retrieved, and go for a closure from DEQ. Reid recommended option 3.

If the City chooses not to do the remediation work, we would be placed on a list of contaminated sites with the State. The intent is to receive a no further action letter from DEQ and avoid monitoring wells. C. Russ inquired the repercussions of being placed on the contaminated site list. Reid replied eventually the state requires you to do something. Three to four borings will be collected from the other side of the highway and close to the fire station building with ground water sampling at each boring. Petroleum floats; once the plume hit ground water it spread out. The work will include borings to get clean soil and ground water samples, additional characterization, and the land farm plan. The final sampling cost is not included. The dirty soil will be covered this winter; then uncovered to dry in the spring.

Mayor Crawford inquired the cost for the DEQ permit. C.A. Daykin advised the review rate cost is heavy. Reid stressed we want to show we have clean ground water at the first review to avoid monitoring well costs.

C. Pugsley asked if they have had success with this method. Reid replied in the affirmative. Unfavorable results would require a plan change; which will be discussed with city staff. C.A. Daykin estimated the total underground tank remediation project cost at \$62,000 with what has been expended and the proposed work. The application with the Ford Family Foundation anticipated a \$20,000 transfer from the General Fund to add to the project budget. This was included in the prior budget; but it was not carried over to this year's budget due to the amount of contingency remaining with the construction project. A \$20,000 budget transfer will need to be completed. With regards to The Ford Family Foundation, they agreed to provide the \$50,000 grant to expedite the use of the community meeting room, with a phased approach to close our obligations to them with additional documentation. The grant funds combined with other funds raised for the community meeting room project will cover the costs of cabinets in the Community room, the footprint expansion, the reader board sign, chairs, and tables. It will not cover audio visual equipment, which would be a subsequent phase.

The motion was made and seconded to accept the proposal from Streamline West Engineering, not to exceed the amount of \$28,500, for the additional contingency investigation work and closure report associated with the clean-up of the contaminated soil from the underground fuel tanks discovered on the fire station construction site. **The motion** passed unanimously.

Commercial Zones

Planner Pelz referred to the draft code amendments and clarified that only the discussion version was submitted with the packet. The discussion version explains changes in italics; while highlighting denotes changes from the joint City Council/Planning Commission workshop. Pelz reviewed the additional changes brought forward from the Planning Commission's public hearing on the memorandum dated August 7, 2014 including: deleting a redundant sentence regarding parking compliance for shallow/narrow lots, clarifying what constitutes a "site improvement", noting a currently existing administrative exception in the code, clarifying the definition for a corner lot to address right-of-way (ROW) stubs, and addressing the corner lot flexibility with maximum and minimum setbacks. The Planning Commission approved option two which allows a larger setback on the secondary street frontage of the applicant's choose. Staff intends to have a public hearing on the proposed amendments at the October 21st Council meeting.

Mayor Crawford asked when the Council would adopt the changes. C.A. Daykin advised the changes could be adopted by ordinance, which would be effective thirty days after passage, after

the close of the hearing and deliberations. He clarified that the change in the map was to reduce the extent of the commercial zones extending into Linden Lane; which the Planning Commission recommended keeping zoned residential.

C. Adlong questioned why residential zoning is being retained for Billick Park. Pelz stated it was a policy decision in conversation with the Newberg School District. Adlong noted that Chehalem Park and Recreation owns the upper portion of the park. She asked why it wasn't being rezoned to Park. Daykin clarified that the TGM grant used for this update applies to commercial zones. Adlong expressed concern to rezone the land as Park zone to help keep the park from being redeveloped.

Ordinance No. 533-2014, Marijuana Tax

This returns from the September 2nd meeting for the second reading of the ordinance with the amendment to add: "Whereas, the tax collected is intended to fund public health and safety." **The motion** was made and seconded to adopt Ordinance No. 533-2014, an ordinance establishing a tax on the sale of marijuana and marijuana-infused products in the City of Dundee. **The motion** passed unanimously.

New Business

NW Natural Gas Franchise Fee

Staff is currently in franchise negotiations with Northwest Natural Gas. The current franchise fee of 3% is embedded in the rates; a higher fee would show on the customer's bill. The budget anticipated an increase in the franchise fee to 5% to be an additional funding source for transportation related projects. Staff supports the increase to 5% effective January 1, 2015. The agreement will be for a ten year term. After further discussion the majority consensus was to support a franchise fee increase of 2%, to a total of 5%, to be earmarked for ROW improvements; such as streets, sidewalks, and undergrounding utilities. NW Natural Gas will note it as a "city franchise fee" on the customer's bill. This will return to a future agenda for further input prior to the final agreement.

Transient Room Tax

Mayor Crawford requested consideration for an increase to the Dundee transient room tax to 10% to facilitate the construction of public parking facilities and other tourism related projects. An increase to 10% would generate \$33,143 annual tax (based on the current forecast of \$23,200 at 7%). Currently there are two approved Bed & Breakfasts and the Inn at Red Hills in the city. The operator collects the 7% tax and remits the tax to the City less 5% of the total tax revenue to offset the associated cost of administration and collection of the tax. 75% of the collected fees are placed in the Tourism Fund and are restricted for tourism promotion and tourist-related facilities. The Mayor expects the number of taxable rooms in the city to increase with the proposed bungalows and the increase in vacation rentals. He noted that the City of Newberg is raising their tax to 9%. The funds could be used for public restrooms and public parking that supports tourism. C.A. Daykin questioned whether you are able to finance a tourist facility solely with the tax. City Attorney Watts replied you could pay for a portion of the project using transient room tax and the other portion could be private or public funds. Pugsley inquired about public parking and the Transportation System Plan update. Daykin advised staff will be meeting with DKS Associates on the financial component of the project on Wednesday. Discussion followed on dedicating the Eighth Street ROW between Linden Lane and Highway 99W as a public parking facility. The majority consensus supports implementation of an increase in the transient room tax on January 1, 2015 with advance notice to registered operators in the city. An ordinance will be brought to the November 4th meeting. The Tourism Committee will be advised of the proposed change.

Resolution No. 2014-16, Bond Anticipation Note Extension

The resolution gives authority to the Mayor or the City Administrator to sign papers to extend the bond anticipation note; which matures on October 1, 2014. A ninety day extension is under consideration to allow time to close the Fire Station project with USDA; which could take up to thirty days. The project is close to receiving a certificate of substantial completion; with a final completion date expected at the end of October. There is substantial cost involved in the extension: Key Bank charges \$1,500 for origination fees and \$1,500 for legal counsel and the bond counsel cost is \$5,500. The interest rate will remain the same. The majority consensus favored a 180 day bond anticipation note extension since the fees are the same for either time frame. **The motion** was made and seconded to approve Resolution No. 2014-16, a resolution authorizing the extension of a general obligation bond anticipation note by the City Administrator or the Mayor in an amount not to exceed \$2,578,000; and related matters. **The motion** passed unanimously.

Council Concerns and Committee Reports

Councilor Munson approved of the landscaping improvements by the Dundee entrance sign at Highway 99W and First Street. Daykin advised the work was completed by a group of George Fox University students as their serve day project. The site is prepped for irrigation and plantings which will be installed with assistance from Bryan Stewart, CPRD.

C. Nelson shared that the Four Graces Winery has sold.

Mayor's Report

ODOT was not awarded the Tiger VI grant for the bypass project.

City Administrator's Report

The Planning Commission has started review of vacation rentals.

The Linden Lane asphalt overlay is completed. Work is progressing on the extension for a hammerhead on Laurel Street to accommodate emergency vehicles and dig outs on failing portions of Alpine Street. Grindings from the street work will be stockpiled for use on the Viewmont Greenway.

Engineer Eaton has encountered a problem with ADA compliance for the lower section of the Viewmont Greenway Park project. The retaining wall around the storm water outfall feature has been moved to the vineyard side to allow the parking lot to be lowered to meet the ADA minimum slope requirements. Since time is running out to start work this season the plan has been amended for the scope of work to accomplish grading with the intent to award a bid at the next council meeting.

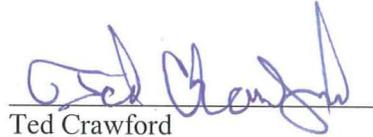
Staff met with Parametrix, consultant for ODOT, on the Transportation Enhancement project reviewing storm water treatment issues and storm water systems. Initially ODOT was to place the curb and sidewalk, as part of the preservation project, between the termination point of the new sidewalk at Fifth Street to Second Street on the east side. The work has since been split up between ODOT and the city. ODOT rules require treating the water on both sides of the roadway if you place curb improvements on one side. We are working to redesign our phase of the project to accommodate treatment facility on the west side. Discussions are continuing on connections for the storm drain ODOT is placing on Eleventh Street; where we will be placing inlets prior to their placement of the storm drain piping. Mayor Crawford asked if the project will go to bid by the end of October. Daykin replied it is unknown; it could be better timing for the bid to go out later in the year.

The Water Master Plan project workshop will be held on October 28.

Public Comment:

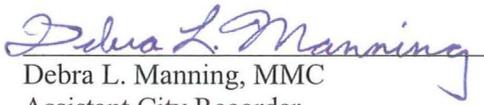
None.

The meeting was adjourned at 10:05 P.M.



Ted Crawford
Mayor

Attest:



Debra L. Manning, MMC
Assistant City Recorder