

**CITY COUNCIL MEETING
TABLE OF CONTENTS FOR MINUTES
October 18, 2011**

Call to Order	2
Council and Staff Attendance	2
Public Attendance	2
Agenda Changes:	2
Public Comment:	2
Presentation:	2
Review of City Audit	2
Consent Agenda.....	3
Old Business.....	3
Ordinance No. 505-2011, Tourism Committee	3
New Business	3
Fire Station Survey Research Proposal	3
Employee Recognition	4
Council Concerns and Committee Reports.....	4
Mayor's Report.....	4
City Administrator's Report	4
Public Comment:.....	5
Executive Session:	5

City of Dundee
City Council Meeting Minutes
October 18, 2011

Call to Order

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

Council and Staff Attendance

Present: Mayor Crawford, Councilors Miller, Munson, Nelson, and Pugsley. Absent: Councilors Adlong and Reddell. Staff members: Rob Daykin, City Administrator, Cindy Phillips, City Attorney, John Stock, Fire Chief, and Debra Manning, Secretary.

Public Attendance

Chuck Swank, Grove, Mueller & Swank, P.C., and Gary Manning.

Agenda Changes:

None.

Public Comment:

None.

Presentation:

Review of City Audit

Chuck Swank, Grove, Mueller and Swank, P.C., addressed the Annual Financial Report Year Ended June 30, 2011. He referred to the ongoing discussion of whether fixed assets should be included in the financial statements. It was noted there is no supporting documentation for the figures which have been used for fixed assets; therefore they have been removed from the financial statements. Fixed assets are to be reported at their historical costs when acquired, less accumulated depreciation. The city can't provide documentation to verify the stated amount used in prior reports for the value of fixed assets. The city has to decide whether to spend funds to accumulate the cost based information, which would allow the removal of the statement that we do not follow generally accepted accounting practices and the addition of the capital assets with their matching debt. The auditors found that the financial information of the city is in order and complies with the modified cash basis of accounting.

Two noted changes in the audit report are: bigger funds are identified separately and the smaller funds are combined on page 28 and the fund balance has three new terms regarding the use of the funds: they are "*restricted*" by a force outside of the city, "*committed*" funds are assigned by the City Council, and "*unassigned*" funds are the remaining general funds. Swank noted that the only item listed for the State of Oregon is that the City does not have records for capital assets.

City Administrator Daykin clarified that the city has been tracking its fixed assets since 2007. The challenge would be to recreate the capital assets by determining the historical costs of all the water/sewer systems and the piping and street infrastructure contributed to the City by developers. Councilor Pugsley inquired if it was an all or nothing issue. Swank replied if you use the asset information since 2007 (a small amount compared to the total capital assets) with the debt against it, the financials would not look correct and it would still have to be noted that this is not the total record.

C.A. Daykin informed the Council that the city will be subject to a special audit process next year with the use of the funds from the Clean Water State Revolving Fund loan. Swank advised it would be a separate audit with a separate opinion for the Federal government on how we spent their money.

The Mayor asked when the decision needs to be made if the City will use the State funds from the water reservoir loan. Daykin will bring that information back to the Council.

Councilor Nelson asked what “letter grade” would apply to the city’s financial health. Swank replied that most organizations concentrate on the general funds. The City of Dundee retains approximately one-third of its general expenditures in the bank at the end of the year, which is normal. C.A. Daykin stated the 30% covers cash flow from July 1st to November (when tax levy payments arrive) and it provides funds for emergencies.

C. Pugsley asked if the auditors use a random test basis. Swank confirmed they do on how money is received and spent. They look at major transactions and the balance sheets on each end.

Mayor Crawford asked what incentive there would be to complete a full fixed asset audit. Swank replied two reasons: 1) people are sensitive to the audit saying that it doesn’t follow generally accepted accounting practices and 2) the city is not eligible to receive a certificate of excellence in Financial Reporting from Government Finance Officers Association (GFOA) without capital assets. Crawford inquired why the Tourism funds are not listed on page 12. Swank advised they are included in Other Governmental Funds, with a breakdown on page 28.

Consent Agenda

The motion was made and seconded to approve Consent Agenda items, 6.1 City Council Minutes, October 4, 2011 and 6.2 Financial Report Ending September 30, 2011. **The motion** passed unanimously.

Old Business

Ordinance No. 505-2011, Tourism Committee

The majority consensus was to table the item until the Dundee Civic Association could consider the issue and return feedback to the Council.

New Business

Fire Station Survey Research Proposal

Four firms were asked to provide a proposal to conduct a survey of registered voters in Dundee to measure the support for a bond levy for the construction of a new fire station. One firm declined due to other projects being underway. C.A. Daykin noted that The Nelson Report is more familiar with the community from prior work for the school district and on the visioning process. The survey will also help determine what information needs to be shared with the community. C.A. Daykin relayed discussion on options if the firms could not get the responses needed for a 5% margin of error. The Nelson Report replied that you could not rely on additional surveying results from postcards or internet sites for the margin of error calculations, but DHM would consider additional surveying options to help verify the telephone survey results.

Councilor Munson noted DHM suggested the City conduct an on-line survey with the use of SurveyMonkey. She expressed a concern a get an accurate cross-section of voters with the estimated low numbers. C.A. Daykin advised that the firm would determine the demography of the response group and recalculate what the data collected means. The information of what our

voters are willingly to support will help in the discussions with the Rural Fire District on sharing the cost of a new fire station.

C. Pugsley asked if the survey could be expanded to include the Rural Fire District. Daykin clarified there are two different districts with two separate votes.

C. Nelson was in favor of completing this survey and a city survey (SurveyMonkey). C. Pugsley clarified completing a city survey after this one.

C.A. Daykin requested the Council designate a committee to work with the firm to structure the survey. The majority consensus of the Council was the committee will consist of Councilors Adlong, Munson and Pugsley.

The motion was made and seconded to accept the proposal from The Nelson Report, not to exceed \$5,115.00, and to authorize the City Administrator to sign an agreement for telephone survey services. **The motion** passed unanimously.

Employee Recognition

C.A. Daykin referred to the memo from Assistant City Recorder Manning addressing possible options offered from an employee survey for the Employee Recognition event on December 18th. A suggestion for future years was to budget for an off-premise event. The Council was in favor of continuing the Employee Recognition event with Chili and appetizers. Councilors Nelson and Chief Stock will provide Chili. The majority consensus was in agreement to authorize the expenditure of \$10 per employee for a wrapped gift. Councilors Miller and Pugsley will work with Assistant City Recorder Manning on the event. The Council was in agreement to add an off-premise Employee Recognition event for December 2012 to the upcoming budget.

Council Concerns and Committee Reports

None.

Mayor's Report

ODOT is submitting the application for the Tiger 3 grant for \$17 million, including an additional \$2 million for the pedestrian/bicycle trail along Dayton Road from Dundee to Newberg.

The bridge has been placed on the Harvey Creek Trail. There are some remaining funds, which the City Administrator is trying to get directed for restoration of the areas disturbed by the initial excavation.

The Third Annual Great Willamette River Cleanup went well with about twenty volunteers using kayaks and canoes from the Chehalem Paddle Launch. They collected about a pickup truck full of garbage.

Completion of the Worden Hill trail improvement will probably occur in the spring. Yamhill County has an estimated \$60,000 budgeted for the project.

City Administrator's Report

C.A. Daykin, Public Works Supervisor Mustain, and City Engineer Monson will meet with ODOT in Salem this Thursday on the Dundee Transportation Enhancement project. C.A. Daykin questioned if the Council wants to make decisions on the type of streetlights to be installed on the highway or to delegate that responsibility to a committee. The majority consensus of the Council was the Council would address the issue.

The City has received a citizen's complaint of water runoff, contaminated with animal feces, entering the city on residential property and Falcon Crest Park from private property in the county. The State investigated and has sent the offending property owner a warning letter.

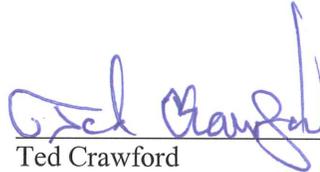
Mayor Crawford advised there are intentions to renovate the old gas station at Highway 99W and Fifth Street.

Public Comment:

None.

Executive Session:

The City Council entered Executive Session at 7:56 P.M. in accordance with ORS 192.660 (2) (f) to consider information or records that are exempt by law from public inspection. Executive Session ended at 9:04 P.M. and the Council did not reconvene.



Ted Crawford
Mayor

Attest:



Debra L. Manning, CMC
Assistant City Recorder