

**CITY COUNCIL MEETING  
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December 16, 2014**

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**City of Dundee**  
**City Council Meeting Minutes**  
**December 16, 2014**

**Call to Order**

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

**Council and Staff Attendance**

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

**Public Attendance**

Greg Reid, Streamline West Engineering and Tony Snyder, ODOT.

**Agenda Changes**

Added item 8.3 Change Order Proposal regarding the standing seam roof for the Dundee Public Works Equipment Building to New Business.

**Public Hearing: LIRA 14-07, Code Amendment-Vacation Rentals**

Mayor Crawford called the hearing to order at 7:02 P.M. for the hearing to consider proposed Development Code amendments to adopt vacation rental standards. File No. LURA 14-07.

**Call for Declarations of Conflict or Bias by any members of this body:**

None.

**Objections to jurisdiction by any members of this body:**

None.

**Staff Report:**

City Planner Pelz read the staff report into the record noting the increased interest in the vacation rentals as an alternate lodging choice. The city could receive Transient Lodging tax from the rentals. The proposed Development Code amendments are a result of Planning Commission workshops held in March and September. They will permit short-term vacation rentals through the same approval process as Bed and Breakfasts. The Planning Commission adopted an Order of Recommendation recommending that the Council adopt the proposed Development Code amendments. Pelz reviewed the proposed amendments on pages 5 through 7 of the packet.

Councilor Munson inquired the definition of an unresolved complaint. Pelz replied it would be a complaint received, with a decision from staff to take corrective action, and no action is taken or the same complaint received over and over. Mayor Crawford asked if the property owner could be held liable for continued complaints. Pelz cited that item 4. Noise Limits refers back to Chapter 8.28 of the Municipal Code. Munson inquired how the police would know the complaint is on a vacation rental property. City Attorney Watts noted the police would respond as they would to any other noise complaints. He suggested it is best to have the amendments mirror the Municipal Code for ease of administration and specific issues can be addressed as they appear. City Administrator Daykin added that police records would provide a history of complaints on a specific property.

Councilor Weaver suggested a review of complaints received by the Police department at license renewal. The department keeps track of calls to rental properties. Daykin questioned the need for additional administrative tasks if there are no complaints received. He suggested charging a different fee than the standard business license fee if the direction is to complete additional upfront review of the licensing application. The majority consensus was to keep it simple for now.

Councilor Nelson inquired if there were additional parking criteria. Pelz noted that parking is covered under another section of the Development Code. Nelson referred to a three bedroom house with a two car garage and asked if the owner would be required to add one more parking space. Pelz replied the garage counts for two spaces and the driveway counts as two spaces; as long as they are useable spaces.

Staff recommendation:

- 1) Consider the Planning Commission Order of Recommendation;
- 2) Consider Public testimony;
- 3) Deliberate and make findings showing that the proposal is consistent with city and state policies.
- 4) Vote to adopt Ordinance No. 537-2014.

Mayor Crawford asked if the city could collect past Transient Room tax from existing rentals that are not registered. City Attorney Watts counseled they would need to register, conform to the guidelines and the city could demand the past taxes; but it could be administratively difficult.

C. Munson questioned the effective date of the ordinance. Daykin stated thirty days after adoption. Munson asked how the city can ensure vacation rentals are registered and paying the lodging taxes. Pelz noted if the city knew one was in operation and not paying taxes; the city could audit their guest register. Watts noted many vacation rentals are handled through property management companies. It would be noticeable if they do not pay taxes, reapply for their business license, and the property has been actively marketed throughout the year. Having the program in place provides education to the property owners. Mayor Crawford questioned if they are underreporting the tax. Daykin responded it is hard to catch cheaters; if the city has problems with reporting or collections, then address possible changes to the code. The City Attorney suggested steep fines or loss of their license to address such issues. Crawford asked if a code enforcement officer would handle these types of issues; identification of unregistered transient rentals and education. Daykin replied typically not.

**Proponents:**

None.

**Opponents:**

None.

The hearing was closed at 7:32 P.M.

**Deliberations:**

The majority consensus was in favor of the amendments as recommended by the Planning Commission.

Discussion followed on placement of an ordinance, relating to a Public Hearing, on the agenda; whether to take action at the close of the Public Hearing or to address it under New Business. The majority consensus of the Council was for the ordinance to be considered as an additional item

under the Public Hearing. **The motion** was made and seconded to adopt Ordinance No. 537-2014, an ordinance amending the Dundee Development Code to incorporate standards for short term vacation rentals. **The motion** passed unanimously.

## Public Comment

None.

## Consent Agenda

**The motion** was made and seconded to approve Consent Agenda items 6.1 City Council Minutes, December 2, 2014 and 6.2 Financial Report Ending November 30, 2014. **The motion** passed unanimously.

## Old Business

### Underground Tanks Investigation

Two issues regarding the underground fuel tanks: 1) closing out the report for the Department of Environmental Quality (DEQ) on the site including the actions taken on the contaminated soils and the findings and 2) how to treat the contaminated soils stored at the Wastewater Treatment Plant (WWTP) site.

Greg Reid, Streamline West Engineering, advised the Solid Waste Letter of Authorization (SWLA) for the land farm was submitted to DEQ. Review comments were received from DEQ and are listed on pages 59 and 60 of the packet.

- The clean fill guidance is not appropriate for the site. DEQ is requiring higher clean-up requirements since the soil was moved from the site to the WWTP. We are to cover the material, after treatment, with two feet of clean fill. The question is since we are required to bring it to clean fill levels; why do we have to cover it with two feet of clean fill. Clean fill standards require additional testing to prove that it meets all the levels of clean fill. DEQ has agreed to reduce the cover to one foot if we meet the clean fill requirements. The engineers they do not foresee any problems meeting the requirements and recommend going with the cleaner standards.
- DEQ will allow PID (photoionization detector) readings from APEX for the interim sampling.
- DEQ is requesting thirteen samples; the engineers will ask for the number of samplings to be reduced to eight.
- We are requesting the Public Works staff maintain the cover under the supervision of Streamline and Apex in lieu of Apex maintaining the cover.

Reid advised that we are required to show progress within the first six months or we will not get the six month extension. The engineer noted that the soil cannot be treated as effectively until the weather dries out; at that point the first six months will be over. DEQ has agreed to start the PID metering with the PID levels in the tank pit before the soil was removed. The first quarterly sample will show some volatilization with a lower reading. Staff will start spreading the material; which will allow more volatilization. Staff will continue to mix the materials until the weather is dry enough to allow spreading and tilling. The next step is for the city to return documents and address the comments to DEQ. They will finalize the SWLA and the six months will start.

C.A. Daykin asked for authorization to sign the letter accepting the fill material at the WWTP and land farming it. **The motion** was made and seconded to authorize the City Administrator to sign the Solid Waste Letter of Authorization for the land farm soil as outlined by Streamline West. **The motion** passed unanimously.

**Closure Report:** Borings were taken around the tank site and across the highway; which reported non-detection. There is contaminated material underneath the highway and a little next to the station (it is below risk base levels for the facility). There are no other paths that the contamination could affect people in the report and no risk to the occupants of the fire station. There is an option of signing a cost recovery agreement with DEQ. This moves the site from the regular list of contaminated sites to be reviewed to a higher priority list. The agreement requires you to pay the fees and to work through the solution; which could involve more monitoring or mitigation. A project manager would be assigned within four to six months, with a determination within a year of whether more work needs to be done or a no further action letter. Worst case scenario: requirement of installation of three monitoring wells with a year of monitoring to confirm that the contamination is not going anywhere at an estimated cost of \$15,000. Councilor Pugsley asked for confirmation that you pay their fees either way. Reid confirmed. If we don't sign the letter we go on the review list and probably receive a low priority ranking with an unknown review time to receive a no action letter. The engineer's recommendation is to sign the agreement with DEQ to try and get a no further action letter. The risks of not signing the agreement at this point include: 1) the regulations could change, 2) the hourly fees will increase, or 3) you won't have a no further action letter if you want to sell the property at a later date.

C. Nelson inquired if the city could postpone this decision ten years and then seek a no further action letter. Reid advised the agreement could be signed at a later date. Daykin advised this will have to be addressed eventually. It is not necessary to delay the agreement from a financial position; we can budget for the review fees in the next fiscal year. It would be better to handle it now then to have this brought to a future Council, who is not informed on the issue.

**The motion** was made and seconded to authorize the City Administrator to move forward with DEQ to seek a no further action letter for the Fire Station property. **The motion** passed unanimously.

## **TE Sidewalk/Streetscape Project Update**

### **Landscape Treatments**

ODOT has hired Parametrix to identify the types of water treatment facilities needed, including plant selection in the rain gardens. The city will be responsible for maintenance of the plants. After discussion with ODOT's landscape architect, Bryan Stewart, CPRD, and others, the recommendation is to complete minimal improvements with this phase of work due to budget concerns. The city is asking ODOT to place soil amendments and conduit for future irrigation where there are planting strips between the curb and the sidewalk. The city can follow up at a future date using volunteers and lesser cost plantings from the NHS greenhouse. The intent is to have a conceptual plan, with ODOT's improvements, to allow us to fill in over time. There is still time to make changes in plant and tree species.

Tony Snyder, ODOT Project Manager, asked what the Council wants the streetscape to look like. One of ODOT's requirements is to complete water treatment facilities such as rain gardens, which would use a concrete trough adjacent to the curb with an opening to receive runoff from the street. Water is filtered by low maintenance plantings such as sedges. There are other commercial types of treatment requiring more maintenance. ODOT is handling both ends of the town; while City Engineer Eaton is designing plans for the midsection.

C. Nelson inquired if the rain gardens would be similar to those along College Street in Newberg. Snyder thinks they will be similar. Nelson expressed concern for damage to vehicles hopping the curb. Snyder advised that vehicles have room to recover with bike paths on each side. C. Pugsley noted this could be a traffic calming feature. Nelson asked for other design options. Snyder offered a catch basin option with trees. Eaton offered wetlands in a box. The rain gardens will be

installed from First to Fourth streets. The City Engineer advised that he is experimenting with treatment options for the Eighth, Ninth and Tenth streets stubs.

C. Nelson questioned if the highway could be inverted rather than crowned. Snyder advised you could do that by removing the center turn lane or by use of a porous pavement. Nelson suggested this approach for pockets of the turn lane which do not get usage. Snyder replied this treatment could be considered for application of a half block segment. Daykin advised part of the problem is large number of driveway accesses along Highway 99W. ODOT will be placing rapid flashing beacons (RFB) for pedestrian crossings north of Parks Drive and at First Street. There will be marked crosswalks at Fifth, Seventh, Ninth and Eleventh Streets.

C.A. Daykin advised that the proposed landscaping is too dense. Staff will work with the ODOT architect to determine what type of density is desired. He suggested working with the Parks Advisory Committee and Bryan Stewart, CPRD, on recommendations for the completion of the planting plan. Bryan Stewart has donated time and work on plantings in the city. The strips will require maintenance by city staff. Two youth were recently hired, for four hours a weekend each, to complete nominal maintenance at City Hall, the First Street sign, Viewmont Greenway and the Fifth Street plantings.

Mayor Crawford inquired when the contracts will go to bid. Snyder advised that they did not have to purchase ROWs; but the utility components have been difficult and have slowed down the project. ODOT and the City Engineer have to develop their plans concurrently. Snyder hopes to be completed with the design by early fall of 2015, start construction on concrete work in the winter and spring, and the pavement by the summer of 2016. City Engineer Eaton advised that our portion of the project will go to bid this summer. ODOT has to follow the city's improvements of storm pipe installation in the road between Seventh and Eighth Streets. The intent is to get the amendments to the funding agreements to the Council in January.

C. Weaver expressed concern that the trees will overgrow the street lights and signs. He asked for consideration of street tree varieties with minimum maintenance and light screening.

### **Retaining Walls/Utility Pole Conflicts**

City Engineer Eaton relayed new concerns on our portion of the project on the west side of the highway from Second to Fifth streets in relationship to the hillside: installation of the new waterline, the existing power pole, a need for retaining walls to support the bank, and a foot wider sidewalk. An above ground wall along the sidewalk with plantings above was the first consideration. The surveys delineated a slope above the wall; causing issues with the ROW, a need for fencing above the slope and maintenance in the landscaping areas. A buffer zone to add additional space between the sidewalk and the walls could be added; but this would increase cost as the height of the wall is increased to match the existing slope.

C. Nelson questioned the possibility of a shorter wall with an elevated sidewalk on the backside of the wall. Eaton advised the problems are meeting the slope requirements and getting back down to Third Street.

C.A. Daykin shared discussion on undergrounding a portion of the lines at an increased cost to the city. Undergrounding a portion is more costly than completing the whole relocation project and it is also unknown if the utility companies will do multiple undergrounding improvements; since there is disruption of service during the work. Frontier will move the poles, with the city providing a place for them, at their cost under the franchise agreement, but they will not underground the lines. There is room on the backside for the new pole.

C. Nelson inquired if a fence was required with the shorter wall. Eaton replied it appears there is a fall hazard since the wall is over thirty inches. Nelson asked if the fence could be placed at a point other than the top. Eaton confirmed it could be.

Another option is to obtain a slope easement with the money for the retaining walls; then the walls would not be required. City Attorney Watts inquired if there had been any discussions with the property owners regarding easement acquisition. Eaton replied no. Watts asked if any of their operations be negatively impacted by the easement acquisition. Eaton replied no, two of the properties have stairway access along the sidewalk; which may need to be replaced. Modular precast blocks are an option for the wall; they require footings and may not work for this project.

Councilor Russ does not support walls; noting they close you in, they attract graffiti, and they do not maintain the rural feel.

The City Engineer advised a slope easement would be inside of the ROW and subject to maintenance by city staff. An advantage of the wall is the property owner would maintain all behind the fences. The majority consensus supported slopes and relocation of the utility poles.

C. Munson questioned the treatment for the school. Eaton replied ODOT would like to place a rain garden, at their cost, at this site to treat that side of the highway from Third to Fourth streets. The city does not want to complete this improvement as it would change the water flow from the First Street basin to the Fifth Street basin, which already has problems, and it would require a three or four foot wall.

C.A. Daykin inquired if the Council wanted to see if the utilities could be undergrounded in this section and the cost involved. The Development Code requires undergrounding of existing overhead utilities when a vacant lot is developed. Several properties on 99W have been granted construction deferrals for undergrounding. A future question for Council's consideration of undergrounding the overhead utilities along Highway 99W is whether the abutting properties should be financially responsible for part or all of the cost. Eaton noted that ODOT will be requiring the utilities to be relocated from First to Second streets; the city will be asking for relocation of the utilities from fifty feet south of Second Street to Fifth Street. C. Nelson questioned if the undergrounding costs could be recovered when the lot develops. Daykin replied possibly through a self-imposed reimbursement district.

## **New Business**

### **Banking Services Recommendation**

When West Coast Bank opened the Dundee branch the City moved its banking services for convenience from US Bank. Subsequently Columbia Bank bought out West Coast Bank. With the closure of the Dundee branch office, cost comparisons of banking service fees were completed for Key Bank, US Bank, and Wells Fargo Bank. US Bank has less service fee costs; but its location is where the future Bypass connects to Highway 99W could make it more difficult to access. Staff recommends accepting Wells Fargo's proposal for financial and banking services; it is located in downtown Newberg. C. Nelson inquired of the potential use of e-banking. Daykin noted that Wells Fargo Bank will provide a way to electronically process checks; then it would be a matter of transporting cash received. It could potentially mean a reduction of bank visits to twice a week, depending on cash received. The new utility billing software will allow additional options for online payments. **The motion** was made and seconded to accept the proposal to use Wells Fargo Bank for banking services. **The motion** passed unanimously.

### **Change Order Proposal for the Dundee Public Works Equipment Building**

Staff's recommendation is not to accept the proposal for a standing seam roof and to remain with the screw down panel called for in the design. No action is needed.

### **Council Concerns and Committee Reports**

New banners have been placed along Highway 99W. The Tourism Committee is distributing new print media including a revision of the walking map and a brochure which includes a postcard.

### **Mayor's Report**

No complaints have been received on the delivery of the beams for the Bypass bridges.

### **City Administrator's Report**

Staff had a pre-application meeting with representatives from Argyle on plans to remove some of the existing structures and repurposing some of the buildings to different usage. They will continue wine tasting and sales, and add banquet events. They would like to start improvements in March. They could be doing the sidewalk and frontage improvements prior to the city starting the Transportation Enhancement project. Mayor Crawford inquired if they would be paving their parking areas. Daykin responded they have been advised it has to be a hard surface. They are proposing crushed granite; which will be reviewed for long-term maintenance and performance.

There have been ongoing conversations with Baldwin General Contracting on the settlement agreement. One point of contention is how to handle the surface of the bay floors from the overwatering event. Some of the concrete is flaking, the seal has not adhered and the concrete floor is not properly sealed. A representative for ARDEX recommends prepping the entire floor before application of their products; which will level and reseal the concrete. Baldwin has requested consideration for other options. The language of the punch list will be updated to include the possibility of an alternate approach subject to approval from the City of Dundee.

The TSP workshop had light attendance. The consultant will take the input and rework the information for the project advisory committee. The joint City Council/Planning Commission workshop has been postponed to Wednesday, February 18th. The January Planning Commission meeting will include training and a review of regulations dealing with marijuana facilities.

### **Public Comment**

None.

The meeting was adjourned at 10:00 P.M.



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David Russ  
Mayor

Attest:



Debra L. Manning, MMC  
Assistant City Recorder