

**CITY COUNCIL MEETING  
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April 18, 2017**

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**City of Dundee**  
**City Council Meeting Minutes**  
**April 18, 2017**

**Call to Order**

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

**Council and Staff Attendance**

Present: Mayor David Russ; Councilors Jeannette Adlong, Storr Nelson, Ted Crawford, Doug Pugsley, Kristen Svcarovich, and Tim Weaver (7:55p.m.). Staff members: Rob Daykin, City Administrator; Shelby Rihala, City Attorney; and Melissa Lemen, Administrative Assistant.

**Public Attendance**

Dean Kampfer, Municipal Marketing Manager, Waste Management; Dave Huber, District Manager, Waste Management; Linda Stock; Rob & Kim Buckholtz; and Myrna Miller.

**Agenda Changes**

None.

**Public Comment**

None.

**Consent Agenda**

**The motion** was made and seconded to approve Consent Agenda items 5.1 City Council Minutes, April 4, 2017 and 5.2 Financial Report Ending March 31, 2017. **The motion** passed unanimously.

**Old Business**

**Ordinance No. 558-2017, Adoption of Urban Renewal Plan**

City Administrator Daykin reviewed the process by which the City held a public hearing at the April 4, 2017 City Council meeting, heard testimony, closed the public hearing, deliberated on the Ordinance and voted on the ordinance. The Ordinance passed with a 5:1 vote. Per City Charter, a second vote is required at a second meeting which was scheduled for this evening. The City Council also requested additional information regarding the budget, which was inserted into the Urban Renewal Plan, for a public restroom; this information was provided in the memo. C.A. Daykin next informed that the Council was provided with handouts of two maps which are easier to see and understand; these are replacement pages for the Urban Renewal Plan document. He advised that, unless there are further questions regarding the restroom facilities or other aspects of the Plan that weren't addressed, it would be appropriate to proceed to the second vote on the Ordinance.

Councilor Crawford inquired as to where the photo of the public restroom originated from. C.A. Daykin informed that it came from a vendor by the name of Romtec. They are a company located in Southern Oregon which provides building kits. Mayor Russ pointed out that Amity recently built something similar which they are very happy with. C. Crawford supported the style of the design and indicated that this was what he had envisioned.

**A motion** was made and seconded to adopt Ordinance No. 558-2017, an ordinance adopting an urban renewal plan for the City of Dundee and establishing the Dundee urban renewal area.

C. Adlong shared that she would like to discuss some of the reasons that she will be voting no on Ordinance 558-2017. She explained that at the prior Council meeting she indicated that she was fundamentally opposed to subsidizing growth. She reference Goal #1 of the Dundee Urban Renewal Plan, Objective D, and noted that while she understands that urban renewal will help with the cost of streets, etc., she believes that participating in some of the other costs is subsidizing growth with tax payer dollars. Secondly, she informed that she feels the Council has not been provided enough information from Staff as to what the exact costs are given the different scenarios that might be seen in the 25-40 year future. She noted the Plan spans over many years and many things could happen, good or bad. She also expressed her opinion that comparable Cities weren't examined; cities such as Lake Oswego and Bend she doesn't note to be comparable to a city the size of Dundee. She doesn't feel that all of the information has been acquired and reviewed in order to make a good decision about whether or not this is affordable for a city the size of Dundee. C. Adlong shared that another concern she has is that within the City of Dundee there is a lot of land available for development which has been available for several years. Additional discussion ensued regarding these concerns. She noted that there is no assurance that growth in Dundee will occur as the City might envision; there could be many things happen that prevent the residential property in Dundee from growing as anticipated. C. Adlong advised that she is concerned that if the residential population is stagnant then everyone will have to pay the additional costs of the taxes that are taken away by the urban growth funding from the additional taxes that would be raised by development. Lastly, she noted that most of the properties in downtown (Dundee) are already developing at a decent pace; she doesn't feel that the City needs to stimulate that artificially. In closing, C Adlong pointed out that she is concerned about a potential economic downturn. She expressed concerns with population and growth forecasts being unreliable, noting this was a very contentious issue a number of years ago when a group of consultants predicted the growth of Dundee to be much higher than what was ultimately adopted by the Council. She noted that the Dundee Vision Statement from 2002 indicated that 5000 to 5750 people were envisioned to live in Dundee by the year 2022 and the current population is under 3200.

C. Nelson supported the validity of C. Adlong's concerns. He pointed out that there are very few projects along Highway 99W that have been completed in the past fourteen years. He added that there is not a lot of vitality in downtown Dundee. C. Nelson pointed out that the one comparison he does appreciate with regard to the communities of Bend and Lake Oswego is that both cities also had pretty major thoroughfares running right through them. He reviewed that McMinnville was brought up with an urban renewal district and he has been pleased with how that has evolved. C. Nelson informed that he is in favor of the Dundee Urban Renewal Plan but noted the City should be cautious and do the right thing, which he is confident will be done.

Discussion ensued regarding C. Adlong's concerns with regard to the Urban Renewal Plan. She expressed concerns that future people will be left to make decisions for the City and it is important to her that what is being laid out is best for the City. Additionally, she noted her concern that some of the goals and objectives are too broad and conversation ensued.

C. Pugsley supported hearing the concerns expressed by C. Adlong and stressed the importance of her concerns helping to balance the Council view on urban renewal. He pointed out that he is on the side of optimism and hope, and is supportive of the direction that the downtown core is moving. Additional conversation ensued.

M. Russ expressed his appreciation for C. Adlong's comments. Discussion ensued with regard to his belief that the pace of Dundee's growth has been slow, and that urban renewal may have been able to help in previous situations if it had been available. M. Russ also pointed out that the Urban Renewal Advisory Committee met and reviewed many of the previously mentioned concerns as well, and could have potentially benefitted from C. Adlong's participation in that process. M. Russ pointed out that it is his belief that we need to at least create the option for future Council's to make the right decision.

**The motion** passed 5:1, with Councilor Adlong voting nay.

#### **Resolution No. 2017-03, OTIF Loan Authorization**

M. Russ inquired as to whether or not the OTIF loan is adjustable or is a line of credit. C.A. Daykin explained that on occasion projects must be amended, though he is unsure if additional loan funds could be added. Conversation ensued. C.A. Daykin pointed out that the OTIF is a very competitive program and informed that after our loan they will be out of funding for a couple of years before the program will be opened again. He advised that if a loan increase request was within reason to complete the project, we had no other avenue, and the funds were available, they probably would look favorably. If additional funds were being requested to fund other projects they would require the City to submit a new application. C.A. Daykin explained the process by which the Infrastructure Bank is able to loan out funds through their program. **A motion** was made and seconded to adopt Resolution 2017-03, a resolution authorizing a \$815,070 loan from the Oregon Transportation Infrastructure Fund by entering into a loan agreement with the Oregon Department of Transportation. **The motion** passed unanimously.

### **New Business**

#### **Waste Management – Review of 2016 Annual Report**

Dean Kampfer, Municipal Marketing Manager, Waste Management of Oregon (WM) introduced himself as well as Dave Huber, Newberg Operations Manager, Waste Management. Mr. Kampfer informed that they are in attendance to share a presentation update of their financials reflective of the past twelve months. He also made mention of the fact that they are not here to ask for anything but just to provide an update. Mr. Huber reviewed Waste Management's customer base within Yamhill County, including that 10% of their customer base is located in Dundee. Mr. Huber reviewed the services provided to the City of Dundee which include 992 residential customers and 53 commercial. The Operations Report shown in their Powerpoint presentation was reviewed. Mr. Huber pointed out that much efficiency was gained when they completed the conversion of commercial collection from rear load to front load trucks. C. Nelson inquired as to whether the two different load style trucks are approximately the same weight. Mr. Huber replied that the front load style are heavier on gross vehicle weight, accommodating up to 58,000 lbs. gross on it; the rear load trucks could only accommodate 52,000 lbs. C. Nelson pointed out that Waste Management's trucks are hard on roads and parking lots. He advised that he has seen a lot of damage which he attributes to garbage trucks in general; their heavy weights take a toll. Side load trucks were discussed and their pay load capacity was noted to be 57,000 gross vehicle weight. C. Nelson inquired as to whether side load trucks will be phased out in favor of front load trucks. Mr. Huber informed that the front load trucks are only dedicated to the commercial fleet, with the automated side load trucks continuing to service residential.

Mr. Kampfer presented WM's 2016 Annual Review, as noted in his presentation. He advised that their return on revenue was 9.27%, in 2016 it went up to 9.43%, and then is projected to fall to 8.37% for 2017. Mr. Kampfer pointed out that the biggest factor in determining these percentages is their labor hours. The chart shown in the presentation was reviewed. The value of the recycling commodities was noted to be another item of significance, which was discussed in

greater detail. Mr. Kampfer also pointed out that labor hours for each year have decreased due to new efficiencies, including moving to the commercial collection system as well as being fully automated on the residential side. C. Nelson inquired as to why it is assumed that total revenues will not increase for Waste Management in 2017. Mr. Kampfer advised that each year WM reviews the growth; the growth in Dundee from year to year is pretty flat for both residential and commercial. C. Pugsley pointed out that the numbers provided to Council in tonight's agenda packet for 2015 vary somewhat from what is being shown in their presentation. Mr. Huber acknowledged this and informed that he will look into it further.

C. Nelson pointed out that although growth may be small, WM will have more customers next year than they have this year. C. Crawford also noted that the overall growth in the County and in Newberg is the highest it has been in ten years, including both residential and commercial. Mr. Kampfer pointed out that even through there is growth in the community, not everyone necessarily signs up for their service; they may elect to self-haul to the transfer station or to the landfill.

C. Adlong noted that WM rates in Newberg are higher than the rates in Dundee for residential service. Mr. Kampfer reviewed that the franchise fee in Newberg is 5%, whereas C.A. Daykin noted the fee to be 3% in Dundee. Mr. Kampfer also explained that the City of Newberg may be set up differently where the commercial base is paid more than the residential base, which could also account for that difference.

Mr. Huber next reviewed their community partnerships. He also discussed WM's Household Hazard Waste Collection Event scheduled for May 20, 2017.

C. Pugsley raised a question about the Columbia Ridge Landfill. Mr. Huber advised that at that landfill there is a gas collection system which captures the methane gas from the decaying waste within the landfill. That gas is then converted to a cogeneration plant which creates about 12 megawatts of electricity. He informed that they are in phases of expanding that to add six more megawatts as well. C. Nelson inquired as to whether or not that is used locally or is added to the nearby transmission system. Mr. Huber advised that it is added into the transmission system but noted that there is an arrangement with Seattle Power with regard to that. He clarified that WM had another project there as well, a plasma gasification project, in which they were developing another type of technology of plasma. Mr. Huber explained that though the project rang out of money and is presently in a stall phase, it may be coming back online soon, and further discussion ensued regarding this.

C. Adlong inquired as to how WM disposes of old computers. Mr. Kampfer advised that in the State of Oregon there is a product stewardship program called Oregon E-Waste which provides drop off locations. He explained that the program requires the manufacturers of electronics who sell into the State of Oregon to be a part of the take-back program. Additional details of the process were discussed.

C. Crawford noted that paint is not included on WM's hazardous waste list. Mr. Kampfer informed that the State of Oregon also manages another stewardship program called Oregon Paint Care; there are a number of different paint retailers which are a part of that program.

C. Crawford inquired about the costs to transfer the waste to the other locations. It was noted that Coffin Butte Landfill is approximately an hour longer than going to the Riverbend Landfill. Mr. Kampfer noted that the transfer station is regulated through the County. He also pointed out that WM is in a phase of trying to get that landfill expanded, and during this phase of expansion is why they have redirected as much waste as possible. He noted that as of April 1, 2017 that this

landfill is not receiving any waste from the metro region. Mr. Kampfer also informed that the Newberg transfer station waste has also been transferred there as well. Additional detailed discussion of the process ensued.

M. Russ inquired about any future plans for a facility for wood waste. Mr. Kampfer advised that he is unaware of any and described briefly how the previous local paper mill facility was capable of receiving materials and woods that the newer paper mills and hog fuel suppliers don't want.

Mr. Huber informed that next month he and Mr. Kampfer will visit the City of Newberg with a presentation. He advised that Newberg has requested them to come and propose a glass collection system. He informed that if Newberg makes the decision to move forward with the program, WM could easily offer the same service in Dundee. If Newberg doesn't agree to move forward with the program, it would likely be quite costly for the City of Dundee to proceed with a program on their own. C. Crawford pointed out that at one time Dundee had interest in adding a similar program, though at the time there were two Newberg Councilors opposed to doing so; these Councilors are no longer on Newberg City Council. Conversation ensued regarding more specific details from that time. Mr. Huber noted that what they will be proposing at this time is a separate glass collection, possibly automated collection of a 20 gallon cart. C. Svicarovich inquired as to the frequency for pick-up of the glass collection to which Mr. Huber responded that likely it would be picked up every other week.

### **Review of City Utility Rates**

C.A. Daykin reviewed that he is not recommending any changes to the water or the storm water rates; those appear to be sufficient to cover the ongoing expenses. He advised that the sewer system shows a history of unexpected expenses in terms of costs of operations and maintenance issues. In particular, he noted a concern with regard to the high amount of storm water getting into the sewer system which is creating issues at the Waste Water Treatment Plant (WWTP). C.A. Daykin pointed out that the City has been putting a lot of money into correcting those issues which is an ongoing effort. He also reviewed the proposed removal of accumulated sludge from the south facultative sludge storage lagoon (FSL) this summer, as well as a manual clean of the MBRs in basin 1, which was deferred from last year when the manual clean of the MBRs in basin 2 was completed. Additional details pertaining to the process as well as cost information was reviewed.

C.A. Daykin informed that the proposed rate increase is a modest rate increase which he believes necessary to keep pace with some of the increases. He advised that Staff will evaluate this again following completion of these major maintenance projects to see how the plant performs the following year. C. Adlong pointed out a mathematical error with regard to the August 2016 base/volume rate noted on page 144 for domestic/low I&I; the total should be \$65.46. C.A. Daykin pointed out that this is a typo in the 2016 rate amount, and confirmed the proposed increase to be \$1.00.

C. Crawford reviewed that when the WWTP was built an analysis was done on the rate with regard to the growth in Dundee. Though the predicted growth hasn't been matching those expectations, he inquired as to how the City is keeping up with this. He inquired as to whether it is the overage charges which allow the City to stay ahead of expenses. C.A. Daykin advised that at one time many years ago when the City entered into this project the anticipation was that a lot of the cost of the debt would be handled by System Development Charges (SDC's) collected from new development; at one time the 2007 Plan projected approximately 40 housing units per year. C.A. Daykin advised that those rates were not anticipating that type of growth. He informed that the City Council went in consultation with a rate consultant and came up with a percentage split of how much revenue should be collected from the fixed charges versus charges

based on volume. Additionally, C.A. Daykin informed that he has not done an analysis to find out if the City is still in that same range; he suspects this is the case but informed he could complete an analysis. Additional detailed discussion ensued. C.A. Daykin pointed out that the City relies a lot on the volume rates from some of the high end users (the wineries), though they are also the same uses that are putting significant costs into the system. He pointed out that reviewing the high end user fees has been discussed, though with the issues going on at the WWTP this hasn't yet been initiated. C.A. Daykin advised that if the City Council is comfortable with the \$1.00 increase in the monthly rate for residential, which would be proportionate to the other classifications, a resolution could be brought back for Council's consideration at a future meeting. If additional information is desired by Council this could be delayed until that is reviewed. C. Nelson pointed out that the City is trying to get a handle on the overall sewer system. He expressed his belief that chasing the I&I and reducing that is going to drastically help in the long-term. C. Nelson is hopeful that a few dollars spent now will save many dollars in the life and maintenance of the WWTP. C. Crawford inquired as to how many additional houses would be required before the WWTP would need to be expanded. C.A. Daykin noted this would equate to approximately 1000 new residences. Additional discussion ensued regarding the potential process that would need to occur at the WWTP with this increased growth. C. Crawford pointed out that if the population of Dundee increases it will help take some weight off of the present residents with regard to rate increases, at least until the City has an increase of near 1000 new residences.

M. Russ pointed out that the start-up costs for beginning the land application process is affecting the need for a rate increase now, and inquired as to whether this cost will be amortized over time. C.A. Daykin pointed out that the City uses cash-base accounting so the costs are not being amortized; as the costs are incurred the resources are expended. C.A. Daykin pointed out that this cost won't be seen again until at which time a new plan needs to be developed. He also pointed out that rates aren't being raised only to cover the start-up costs; costs for maintenance have also increased. Additional detailed discussion ensued. C.A. Daykin advised that far more loans have been taken out than anticipated originally for the construction of the WWTP which have affected the rate structure, though the costs of operations are close to the targeted rate. Additionally, he noted that the rate structure adopted back in the beginning wasn't really adjusted for the true costs because it would have been too drastic for the consumers; the City has incrementally increased them and tried to make due from year to year trying to manage those costs. We are still behind overall from where we thought we would be in terms of the costs and rates. The hope was that new customers would help ease that burden but there haven't been a lot of new customers.

M. Russ inquired as to whether or not there have been any changes in basic operating costs over the last year. C.A. Daykin advised that wasn't anticipated was the eventual recruitment of a new WWTP Operator; the proposed budget is reflective of this which is a huge unanticipated cost.

C.A. Daykin advised that since the City will be looking at updating the Storm Water Master Plan, eventually updating storm water SDC's, Staff would like to engage Debra Galardi again with that process. She had been previously involved with the rate structuring for the sewers and sewer SDCs. As the City catches up on projects and the engineers are able, C.A. Daykin advised that the City should review the costs of sewer treatment by the high end users and whether or not the rates are appropriate. The consensus of the Council was to include Deb Galardi in that process and C.A. Daykin advised that he will bring back a proposal for Council consideration when the City reaches that point.

### **Beech Street Sewer Main Repair**

M. Russ briefly reviewed the issue at hand with regard to the Beech Street sewer main repair, as detailed in the provided agenda report on page 145. M. Russ noted that Mr. Twenge had agreed

to pay for up to \$1,500 for any repairs or defects, however, the hole detected in the sewer main was not found to be within his property line in the easement area. Detailed discussion regarding this ensued. C. Nelson pointed out that it should have been stated more clearly in the agreement that any potential repair work Mr. Twenge would have been responsible for wouldn't be for any points between manhole 8 or 9, only for that portion of the line on his private property. The consensus of the Council was that the City pay for the \$1,500 repair work required at this time.

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

None.

### **Mayor's Report**

None.

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

None.

### **Public Comment**

None.

The meeting was adjourned at 8:12 P.M.

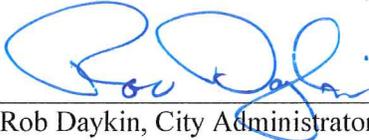
### **Executive Session**

The City Council entered Executive Session at 8:13 P.M. for the purposes: to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. The executive session is held pursuant to ORS 192.660 (2)(h).



David Russ, Mayor

Attest:



Rob Daykin, City Administrator/Recorder