

**CITY COUNCIL MEETING
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City of Dundee
City Council Meeting Minutes
June 5, 2018

Call to Order

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

Council and Staff Attendance

Present: Council President Kristen Svicarovich; Councilors Storr Nelson, Tim Weaver, Jeannette Adlong and Doug Pugsley. Absent: Mayor David Russ and Councilor Ted Crawford. Staff members: Rob Daykin, City Administrator; and Cheryl Caines, City Planner.

Public Attendance

Diane Plesset, D.P. Design, Oregon City; John Bergstrom, Bergstrom Wines, 8115 NE Worden Hill Rd; John Mead, Bergstrom Winery, 109 NW 5th Street, McMinnville; Dwight & Karen McFadden, Tina's Restaurant; and Rebecca Minifie, 809 SE Elm Street.

Agenda Changes

Item 8.6 Planning Commission Appointment was added to New Business

Item 8.7 Block Party Request was added to New Business

Item 8.8 Release of Claims – Waste Water Treatment Plant was added to New Business

Color page replacements of page 95-96, 111-112 and 121-122 of the agenda packet were provided to Council.

C.A. Daykin provided a corrected replacement of page 97 of the agenda packet: In Table 3 the current Outside Water Surcharge Rate was corrected from 25% to 20%.

Public Hearing: LURA 18-05, Code Amendment – Accessory Dwelling Unit (ADU)

Call for Declarations of Conflict or Bias by any members of this body: None

Objections to jurisdiction by any member of this body: None

Staff Report

Planner Caines reviewed the Staff Report. She reviewed that Planning Commission held several workshops to review ADU codes from other jurisdictions and discuss the issues related to a new ADU code for Dundee. Planner Caines informed that the Planning Commission approved an order recommending the proposed changes at a public hearing on May 16, 2018, and noted that there were no further changes at that hearing. Planner Caines reviewed the proposed amendments shown in Exhibit A and findings shown in Exhibit B of Ordinance No. 563-2018. She reviewed that the maximum size of an ADU would be 800 square feet unless what is being proposed is a conversion of existing space, such as a basement or second floor space, even if the floor area of the accessory dwelling would be more than 800 square feet. This information was noted to be from the model code from the State, and was included to aid in the conversion of existing space where it may otherwise be difficult to pare down the space to meet the 800 square feet maximum. Planner Caines discussed that there was concern about detached ADU's and how they would impact neighbors; this was addressed by providing a height requirement which limits ADU's to

be no taller than the existing dwelling unit. The proposal was also noted to include that detached ADU's must meet the regular setbacks for the primary structure. Additional detailed discussion ensued. Planner Caines explained that a concern was expressed with regard to vacation rentals, as they are becoming popular in the area. She discussed that the point of this Code is to try to create more affordable housing, and because of this Planning Commission asked that a regulation be included that does not allow an ADU to be used as a vacation rental. Planner Caines discussed that code amendments are required to be compliant with the Dundee Development Code 17.405.030 C. Exhibit B on page 11 was reviewed and provided the findings that show how the proposed amendments are compliant with the Comprehensive Plan policies. Planner Caines pointed out that these code amendments will allow a more diverse type of housing, possibly more affordable and different housing choices for the City.

Councilor Nelson pointed out that with regard to existing residential homes in a commercial zone, the ideal intent is likely that the property be redeveloped or converted more fully into a commercial use. He discussed that it would seem that if an ADU were allowed in these locations it would make that conversion more difficult, whereas if it were an interior remodel it wouldn't impact the ability for that property to change more into a commercial use. Planner Caines informed that there was no discussion regarding C. Nelson's concern and indicated that it could be an amendment. C. Nelson inquired as to whether or not the wording of the State bill would allow for this change; to not allow detached ADU's in a commercial or CBD zone. Though Planner Caines explained that she does not have a copy of the bill to review at this time, she noted her belief that the City is required to allow ADU's in any zone where a single family residence is allowed; additional detailed explanation was provided. Councilor Pugsley inquired as to whether or not a home located within a commercial zone could be rebuilt if it were destroyed by disaster. Councilor Pugsley explained that if there are limitations to that, then he would likely be in favor of an amendment. Planner Caines reviewed that restoration or replacement of a nonconforming building is allowed when the restoration or replacement is made necessary due to circumstances beyond the owner's control.

Councilor Adlong inquired about the vacation rental portion of the proposed amendment. She inquired as to whether or not a portion of an existing house could be a vacation rental. Planner Caines explained that under current Code, vacation rentals are allowed in single family homes, which would include the entire home. Council Adlong next inquired as to whether or not those within the City of Dundee who might presently have detached vacation rentals would continue to be allowed to operate them in this way. City Administrator Daykin noted that he is not aware of any such arrangements as a vacation rental should encompass the entire home; if only part of the home is being used, it would fall under the bed and breakfast regulation, though explained that the person who represents ownership must also occupy the premises simultaneously.

Public Testimony

An email dated June 4, 2018 from Don Sundeen was read into record as Exhibit A.

A letter dated June 5, 2018 from Diane Plesset, CMKBD, CAPS, NCIDQ along with sample ADU plans were entered into record as Exhibit B. Diane Plesset, D.P. Design, approached Council and informed that she began working with Maria and Anna DiLorenzo (sisters) on April 15, 2018 to help them achieve an ADU for their parents. She expressed disappointment that the timing of this hadn't been such that she could have provided input as a Certified Aging in Place Specialist. She reviewed the DiLorenzos' difficult situation with regard to their parents, and informed that Anna DiLorenzo has property and has space for an ADU; Anna would also like to have direct access from the main residence to the ADU in case of medical emergency. Plesset referenced the provided ADU plans and pointed out that the 800 square foot size will limit Joseph and Teresa DiLorenzo's quality of life. She discussed the limitations as outlined in her letter

(Exhibit B). Plesset explained that though she is unsure about how the decision was made to set 800 square feet as the maximum ADU size, she voiced support of this standard for ADU's if there were also an option where someone could pay extra for enough square footage if it could be proven that it increases the quality of life. Plesset noted her belief that the DiLorenzo sisters would pay extra for a permit which would allow for the extra square footage they need, as well as build a firewall between the ADU and the existing home so they could have access from the main house to the ADU. Plesset emphasized the importance of flexibility, understanding humanity, and understanding people's real needs as they relate to quality of life issues.

No additional public comments were provided and Council President Svicarovich announced that public testimony was closed.

Staff Recommendation

With regard to the maximum allowable size of an ADU, City Administrator Rob Daykin explained that Planning Commission reviewed policies in place for ADU's in other communities to assist in determining what would work best for the City of Dundee. Planner Caines noted that there was not a lot of discussion with regard to the size though most of this took place during the workshop sessions which Diane Plesset was not a part of. Planner Caines reviewed that most of the other jurisdictions reviewed utilize the 800 square foot maximum though some were smaller or it was dependent upon on the lot size; both Newberg and McMinnville have 1000 square foot maximums in their existing code. Additionally, Planner Caines noted that there was not a lot of discussion with regard to the issue of accessibility, though she acknowledged that this does take up more space within the unit. C.A. Daykin recalled that part of the discussion with regard to size dealt with other factors including vehicle parking. Planner Caines reviewed that when it was initially discussed there was not going to be a requirement for an additional parking space; it was decided at the last workshop that one additional parking space would be required, either provided in the driveway or in the garage. C.A. Daykin reviewed that the current Code requires a single family home to have two on-site parking spaces.

C. Svicarovich inquired about the ADU and the primary residence having common access. C.A. Daykin clarified that the primary residence and an ADU are required to each have their own access. C.A. Daykin discussed that the plans provided by Plesset do not meet the proposed ADU standards and pointed out that the only way this arrangement would be allowed would be if they did not install the stove for the kitchen; the ADU would then not fall into violation under the single family home ordinance. Planner Caines noted that she and Plesset have had discussions with regard to aging in place and caring for aging parents; while the connection is important for them, many ADU's do not provide for that connection. Planner Caines discussed in detail the limitations found in the Dundee Development Code as well as the Building Code which would not allow for Plesset's proposed ADU arrangement.

Councilor Adlong inquired as to whether ADU's typically have two bedrooms to which Planner Caines reviewed that most commonly she has seen them be one-bedroom, though they can be studios, one-bedroom and possibly two-bedroom based on the needs.

Deliberation

Councilor Adlong expressed concern about the potential number of ADU structures she believes will be built in Dundee over the next few years. She pointed out that there are a lot of larger sized lots with a lot of available space. C. Adlong pointed out that in some neighborhoods in Portland there are neighborhood disputes over the redevelopment of lots. She suggested that decisions made tonight be made with regard to the future and how ADU's are going to impact neighborhoods as a whole as well as individual neighbors. Additionally, C. Adlong expressed concern about ADU height limits and referenced the letter provided by the Sundeen's. She

discussed that given the limited sun in our region, it is important that solar access isn't impeded for residents. Additional discussion ensued. C. Adlong pointed out that Dundee is a unique area in which there are houses on the hill which include views; the importance of preserving these views was discussed. C. Adlong voiced opposition of a three-story ADU. She discussed that there are references in the Code with regard to landscape impacts on solar access, though there is nothing that addresses structures. She referenced 17.202.040 within the Dundee Municipal Code and voiced her opinion that this needs to be revised for solar access. She pointed out that some people suffer from Seasonal Affective Disorder (SAD) and that there are many other reasons why solar access is important; C. Adlong stressed the importance of the Code being updated to protect solar access. C. Adlong voiced her support of ADU's and noted her belief that they are vital and an important part of the housing solution, though pointed out that they should not impact the existing dwellings in a negative manner. C. Pugsley discussed that he shares C. Adlong's concerns with regard to structure height as well. He voiced his support of reviewing structures with regard to solar access at some point as well. Councilor Weaver expressed concern regarding the structure height as well, especially given that vision block is already an issue in Dundee in other forms (trees, etc.). He voiced his opinion that 800 square feet is very small and felt that the emergency medical system access would be significantly hampered by this size. He voiced his preference of a 900-950 square foot ADU size if it were all on one level as opposed to a 900 square foot two-story structure.

Council President Svcarovich inquired as to whether there is concern with regard to ADU's in the commercial and CBD zones. Councilor Nelson expressed concern with regard to this issue as well. He pointed out that if the intent of that zoning is that it ultimately becomes commercial property, allowing a detached ADU doesn't seem beneficial in helping the community reach that goal; it slows down that process.

C.A. Daykin asked for clarification with regard to Council concerns on ADU height limitations and conversation ensued. Planner Caines reviewed what constitutes an ADU and meets the standards. Councilor Pugsley suggested to not only limit the fully detached ADU to 15 feet in height, but prohibit additional height added to existing structures as well. C. Adlong voiced support of this as well. C.A. Daykin discussed some of the complexities with regard to height limitations on existing structures. Conversation ensued. With regard to regulations, C.A. Daykin reviewed that Planning Commission had a lengthy discussion with regard to setback requirements. He explained that the Planning Commission recommended adhering to the primary structure setbacks because ADU's are occupied spaces; if setbacks cannot be met this alone will restrict potential ADU's in other locations. C. Adlong pointed out that there are a lot of large lots and doesn't feel that would be very restrictive in those cases.

The consensus of Council was to impose some sort of height limitation applied to ADU's. C.A. Daykin informed that this could likely be accomplished as another standard quite easily, though suggested that the proposed 15 foot height limit might be too low unless a very flat roof is desired, though it may not match the architectural details of the existing home. Detailed discussion ensued regarding potential height limitations for detached ADU's. Many different ADU scenarios were discussed and C. Along pointed out that some may wish to pursue building a second story ADU above a garage; C. Pugsley inquired as to whether there are design codes in place which prevent that. C.A. Daykin informed that property owners would need to adhere to the Building Code though noted there are no design standards for residential dwellings at this time in Dundee.

C. Adlong referenced item #8 on page 10 of the agenda packet with regard to required parking spaces. She pointed out that the Development Code states that the parking should be "off street parking" whereas "on-site parking" is specified in Exhibit A. She voiced that she is not in favor

of the term “on-site parking” in this instance as this wording doesn’t require parking to be off street. C. Nelson suggested a potential requirement of one parking space per bedroom; discussion ensued.

The consensus of Council was to impose a maximum height limitation of 20 feet for detached ADU’s; allow a maximum size of 900 square feet for an ADU; modify the language to not include a detached unit as part of existing single family homes within commercial and CBD zones; and add a parking requirement of one additional off street parking space per bedroom contained within an ADU.

Discussion resumed with regard to square foot limitations for ADUs. Planner Caines pointed out that there are setback and coverage requirements for the zones. Building coverage maximums and parking area coverage limitations were reviewed for the R-1, R-2 and R-3 zones. Planner Caines referenced Table 17.202.030 and reviewed that this information is contained in the existing Code for any house that is built.

C. Svicarovich expressed concern about the addition of new footprints to lots and whether consideration is being given for new impervious surfaces through storm water requirements. C.A. Daykin advised that he would need to discuss this with City Engineer Reid. He reviewed that the previous policy stated that existing single family homes were exempt from water treatment facilities. C.A. Daykin pointed out that the policy question that will ultimately need to be addressed is whether or not ADU’s would be required to pay SDC’s, as well as how utility charges are dealt with if a meter is being shared. C. Svicarovich explained that her concern is with regard to the increased amount of impervious surface which will potentially be created as a result of the addition of ADU’s. She expressed concern that this could potentially be taxing on the City’s storm water system. C. Pugsley pointed out that Habitat for Humanity’s new houses (which are approximately 1500 square feet in size) have an engineered self-managed storm water facility, and suggested that this could potentially be added to the requirements. C. Adlong supported that additional discussion regarding utilities would be needed.

Planner Caines referenced page 9 of the agenda packet. She read item 4.b. under Design Standards which addresses roof pitch, and inquired as to whether Council would like this information to remain as stated. C. Nelson suggested changing it to read “maintain the existing house pitch or less.” Discussion ensued. C. Pugsley pointed out that there can be multiple roof pitches on one house. Planner Caines noted that this standard may be difficult to apply. C. Svicarovich voiced that she is in favor of removing the roof pitch design standard.

C.A. Daykin informed that a revised ordinance will be provided at the next City Council meeting on June 19, 2018.

Public Hearing: Budget for Fiscal Year 2018-2019

Council President, Kristen Svicarovich, called the hearing to order at 8:10 P.M. to consider the budget for the fiscal year 2018-2019.

Staff Report

C.A. Daykin noted that after the budget was approved by the Budget Committee, the amount to be reimbursed to the Street CIP Fund from Urban Renewal for the undergrounding work should be \$25,000 and not the \$15,000 currently shown. He will correct this for the final version of the budget to be adopted. C.A. Daykin stated even though more resources coming into the Street CIP; he is not proposing changing the appropriation levels because of that new information. C.A. Daykin discussed that the Sidewalk Streetscape project has been challenging from a financial standpoint. He explained that there are three funding agreements being juggled with

ODOT. He reviewed that \$228,000 was received recently (that ODOT owed the City for work completed two years ago) and that the City has been receiving monthly payments for the current work that represents the \$900,000 component of the project's funding. C.A. Daykin discussed the Bike-Ped grant component that the City entered into approximately 5-6 years ago, which was amended at least once and noted to have expired December 31, 2017. He explained that the City received the \$240,000 up front payment as the contract was awarded to K&E, and the final \$240,000 was due at the end of the project. C.A. Daykin noted that once the defect was discovered back in February by the ODOT manager, he explained that it was an easy fix though the problem has still not been rectified; C.A. Daykin informed that he doesn't expect to receive those funds until the next fiscal year. Due to that concern and to avoid the negative balance, C.A. Daykin informed that he accelerated disbursement of \$130,000 from the Oregon Transportation Infrastructure Bank loan that the City took out approximately a year ago to help pay for the LID portion of the project. C.A. Daykin explained that these changes don't affect the budget other than he indicated that he probably won't end up paying the retainage on the project due to the lengthy time it is taking to get communications and punch list items resolved. This was not anticipated in the budget for next year which means that a supplemental budget will likely be required; a supplemental budget is easier to do than trying to change the budget at this time.

Public Testimony

None.

Questions from Council

None

The hearing was closed at 8:14 P.M.

C.A. Daykin proposed that he will bring back a resolution for formal adoption at the next Council meeting if there are any changes Council would like to see. No changes were suggested. C.A. Daykin will bring back the final budget for adoption at the next Council meeting.

Public Comment

None

New Business

Bergstrom Winery Hydrant Proposal

John Mead, Cellar Ridge Construction, explained that he is here to discuss an improvement project at Bergstrom Winery on Worden Hill Road. He discussed that they have been working on a remodel of an existing residence into a tasting room. He informed that the winery founders, John and Karen Bergstrom, are also here tonight to discuss the use and some of their perspectives. Mead informed that he is here to discuss the potential water main improvement down Worden Hill Road. He discussed the increased fire suppression requirements as part of the remodel of the house into a hospitality center. He discussed in detail the options of placing an underground tank with sufficient water supply as well as their proposed option of installing a fire hydrant. Mead discussed the details of the proposed hydrant project as outlined in the agenda packet. He explained that they feel it would be a benefit to the City and the best option. Mead discussed the \$350,000 cost of the remodel project, and indicated that approximately 14% of the overall project costs would be dedicated to the water main and fire hydrant improvement.

C.A. Daykin briefly discussed a prior arrangement with Domaine Roy Winery in which the developer accommodated fire protection by upsizing the City's water main along the frontage of their property and installed a fire hydrant; the City's costs associated with that project were mainly dealing with upgrading from C-900 pipe material to ductile iron at a cost of approximately

\$14,000. Additionally, he noted that the City did pay the contractor for some additional work for requested by the City to add some special valves that were desired. Discussion ensued and C.A. Daykin pointed out that the arrangement worked out very well and was a beneficial project for the City. C.A. Daykin reviewed that upsizing and replacement of the Worden Hill water main is in Water Master Plan though it is a very low priority. He reviewed that the asbestos concrete pipe was installed in the mid-1970's and has an estimated life 70 years; planning for its replacement should be done before it reaches end of life though there is still time. C.A. Daykin pointed out that this is an opportunity for shared funding; additional discussion ensued.

C.A. Daykin discussed the two anticipated water improvement projects in the coming fiscal year. He explained that the City is going out to bid for replacement of the failing water line on Locust Street between Eighth and Tenth Streets. He also explained that he put in the budget for the possible replacement of the steel line (which is suspect for a source of leakage) on Viewmont Drive between Dogwood Drive and Alder Street. He discussed that if that latter project were pursued in the next fiscal year it would be a project that would be put out for bid in late winter/early spring next year unless something else comes up which is a higher priority.

C.A. Daykin discussed that the Bergstrom's are ready to pursue the proposed project as a private development, and if the City were interested would need to enter into an agreement. It was noted that the project would potentially move forward this summer. C. Pugsley inquired as to how much of the Worden Hill Road project would remain unfinished if the City were to move forward with participation in the proposed project. C.A. Daykin confirmed that approximately 75% of the overall project would still remain unfinished. He explained that this very low priority project was projected to be done in phases in 2026-2032. C. Nelson voiced that he is in favor of taking advantage of cost sharing opportunities, which C. Pugsley and C. Weaver voiced agreement of as well. Additional discussion ensued.

C.A. Daykin briefly discussed that the consensus of Council is to move forward to pursue this project; the City will incur some legal expense in preparing an agreement. C.A. Daykin discussed that he estimated the City's share if 100% of the costs of where Roy Winery terminated to bring the line up to the Bergstrom property line, as well as the differential between ductile and C900 for the frontage work next to the Bergstrom property. Additionally, he explained that based on that calculation, the share of work proposal is then different than Mr. Bergstrom's. Additional detailed discussion ensued. **A motion** was made and seconded to authorize the City Administrator to execute an agreement with Bergstrom Winery, which is approved by the City Attorney, providing for the installation of ductile water line and fire hydrant on Worden Hill Road, and payment of \$86,802 to Bergstrom Winery for completion and acceptance of the water line by the City Engineer. **The motion** passed unanimously.

Planning Commission Appointment

Rebecca Minifie introduced herself and reviewed that she lives at 809 SE Elm Street in the Riverside District. She expressed her interest in representing the community on the Planning Commission by representing residents in the Riverside area. She discussed some of the reasons she applied for the position as noted on her application as well. **A motion** was made and seconded to approve the appointment of Rebecca Minifie to the Dundee Planning Commission. **The motion** passed unanimously.

Block Party Request

C.A. Daykin briefly reviewed the block party application which requests that a portion of SE Elm Street between Seventh and Eighth Streets be closed between 3:00 P.M. and 10:00 P.M. on July 4, 2018. **A motion** was made and seconded to approve the block party application from Jessica Marshall for July 4, 2018 from 3:00 P.M. to 10:00 P.M. Council agreed that the Dundee Fire

Station, Newberg-Dundee Police and Yamhill County and TVF&R should all be notified of this temporary street closure. **The motion** passed unanimously.

Consent Agenda

The motion was made and seconded to approve Consent Agenda Item 6.1 City Council Minutes, May 15, 2018. **The motion** passed unanimously.

Old Business

Non-Resident Water Rates

C.A. Daykin reviewed that Council had previously expressed an interest in revisiting the water rates for services outside of the city limits with regard to irrigation use, which is prohibited. He referenced the chart on page 96 of the agenda packet, and pointed out that outside residential users show the same pattern of water use during the summer months as the city residential customers, with outside residential even higher than city residential likely due to the larger lot size. C.A. Daykin suggested increasing the surcharge to collect a higher rate based on volume. He pointed out that there is at least one high volume water customer (Columbia Empire Farms) which uses the water for a legitimate use from the City for processing berries on a seasonal basis. The revised table on page 97 was referenced and it was noted that the 2" meter represents the Columbia Empire Farm Usage. C.A. Daykin pointed out that Scenario 4 is an example of a hybrid rate structure which would not penalize the legitimate water use at Columbia Empire Farms. C.A. Daykin clarified that Columbia Empire Farms uses water from the Willamette for irrigation purposes; City water is used for internal domestic use and processing berries.

C. Adlong discussed that the proposed incremental increases may not be impactful enough to reduce water use. She suggested the idea of Columbia Empire Farms having their own separate rate structure. Additional detailed discussion ensued with regard to a variety of potential scenarios.

It was suggested to send a letter to property owners reminding them that using water for irrigation purposes is prohibited. The consensus of Council was to modify scenario 4 with an increase to 100% for volume 1 water use and 100% and for volume 2, and maintain 20% for volume 3, which addresses Columbia Empire Farms. C.A. Daykin suggested that after a period of time the City can then measure to see if these changes have had a noticeable impact when compared to city residents (as compared on the chart on page 96). C.A. Daykin informed that he will bring back a resolution for adoption to a future Council meeting.

Thermal Imaging Equipment Purchase

C. Weaver voiced his support of this purchase and predicts that within a short period of time this equipment will save someone's life. **A motion** was made and seconded to authorize Fire Chief John Stock to purchase two Flir K55 thermal imaging cameras from W.S. Darley & Company for the cost of \$9,990.00. **The motion** passed unanimously.

Ordinance No. 564-2018, Tourism Committee

C.A. Daykin briefly discussed the proposed ordinance. **A motion** was made and seconded to adopt Ordinance No. 564-2018, an ordinance relating to the Tourism Committee and amending the Dundee Municipal Code. C. Adlong inquired as to whether or not C. Crawford had been able to review the proposed ordinance which C.A. Daykin indicated he did and supported. **The motion** passed unanimously.

Tourism Committee Appointments

C. Svicarovich reviewed that Ayla Holstein has submitted an application for Tourism Committee. C.A. Daykin noted that she is a resident and is also on the Chamber of Commerce Board. **A**

motion was made to approve the appointment of Ayla Holstein to the Tourism Committee. **The motion** passed unanimously.

New Business

Tina's Restaurant Fence

C.A. Daykin reviewed his agenda report on page 121. He explained that the Tina's Restaurant fence was partially installed in the public right of way and abuts the edge of the new sidewalk. He briefly discussed the owner's rationale regarding the fence placement. Dwight McFadden approached Council and introduced himself as well as his wife, Karen, as the business owners and indicated that the owner of the property is Roger Staver. Mr. McFadden expressed his appreciation of the new sidewalks and discussed in detail the many improvements they have made to the exterior of the restaurant. He explained that he contacted a contractor (Town & Country) to construct a four foot high fence; when asked if they wanted to add a cap piece he agreed though didn't realize it would then be 1.5 inches too high. He also indicated that he wasn't aware that there was a 6 inch space of public right of way along the sidewalk and noted his concerns about not blocking the water meter. Additional detailed discussion regarding the fence placement ensued. Mr. McFadden asked for Council's support in allowing the fence to remain as placed with a cap 1.5 inches too high; it was noted to be quite costly to remedy the situation at this point. Discussion ensued. Mr. McFadden informed that they have a lease for an additional 14 years.

C. Adlong discussed the feeling of encroachment she noted when walking on the sidewalk in front of Tina's where the privacy fence has been placed. She felt that it is not the kind of vision that the City is trying to achieve for the downtown area. C. Adlong pointed out that if there were some slats or space in the fence it would have a different feeling. She discussed that this privacy fence has been placed beyond their property and reviewed pertinent detail from the City Code. Mr. McFadden explained the process by which they chose the fence height of 4 feet; a lower fence would provide a view of the traffic to those dining. He noted that their concern was for those dining in the restaurant as well as those dining outside; a 3 foot fence would not have provided what they felt to be adequate privacy and noise control given the traffic on Highway 99W. Additionally, Mr. McFadden pointed out that when walking by Tina's Restaurant the inside can still be seen even with the 4 foot high fence in place. Though C. Adlong could appreciate their concerns, she pointed out that the fence is a bit over four feet and abuts the edge of the sidewalk which creates an uncomfortable feeling. Mr. McFadden inquired as to whether or not the City would maintain the right of way strip along the sidewalk if the fence were moved back 6 or 12 inches. It was noted that the City is not responsible for maintaining this area.

C. Nelson pointed out that there are areas within the City of Dundee where the City is responsible for maintaining and are now full of weeds. He discussed that he listened carefully to what C. Adlong said previously, and pointed out that he's not sure that moving the fence back 6 inches will drastically change the feeling she described. C. Nelson discussed that had this been a concern, perhaps the sidewalk could have been extended or something done to build out to the edge of City property.

C. Adlong reviewed landscaping criteria from the City Code as it applies to Tina's restaurant. Additional discussion ensued and, though it's C. Adlong's belief that Council will allow the fence to remain, she expressed her disappointment in the arrangement and noted that as a pedestrian it makes her feel as if the restaurant is being excluded from view. Mr. McFadden explained that their intent in making the exterior changes was to make people feel welcome and create an inviting atmosphere. He pointed out that they've worked hard to clean up the area outside and noted that not all businesses have done so. Additional discussion ensued and C. Adlong acknowledged that from the street when driving by the restaurant does look very nice. After

discussing the future of the City and concerns with regard to privacy fencing being placed along Highway 99W, the consensus of Council was to review the fence code and pursue something other than privacy fencing.

C. Pugsley suggested that a contractual time limit could be placed on the newly installed fence at Tina's Restaurant. C. Weaver suggested that if the fence needs to be removed for any reason, it then could be required to be replaced with appropriate fencing. C. Nelson discussed that the perspective with regard to the discussed fence changes depending on which direction a person is walking on the sidewalk; walking from the south to the north provides a completely different more welcoming view. C. Nelson suggested the possibility that the water meter placement could allow for a slight relocation which could be explored. Additionally, he pointed out that different manufacturers have different sized water meter boxes that would serve the function and potentially allow easier accessibility. Additional discussion ensued.

C.A. Daykin informed that while an Agreement is not necessary, if an Agreement is desired it could then be brought back to Council. Detailed discussion ensued and C. Svicarovich suggested that reviewing a previous similar Agreement which was made between the City and a property owner in a similar situation could be helpful. She discussed the importance of acknowledging the conversation had this evening and to make sure that all parties are very understanding of what the Council has decided. The consensus of Council was not to address the fence height and deem it a nonissue at this time.

C. Adlong expressed frustration with regard to variances being allowed though there is an ordinance pertaining to fences. She also pointed out that the lack of a fence permitting process more easily allows this to happen. C. Svicarovich discussed that with regard to the fence issue involving a different property owner, she recalled that in that case the property owner hadn't gotten a permit as he was unaware of the requirement. C.A. Daykin pointed out that pulling a permit does not guarantee that the fence will be built on at the correct location. C. Adlong requested reviewing the standard for the downtown commercial area, and suggested potentially reducing the fence height from 4 feet to 40 inches. C. Nelson suggested that there are other design components that could be addressed in addition to the privacy issue. Additional discussion ensued and C. Nelson expressed his opinion that with regard to the fence at Tina's, his feeling is that it was an honest mistake and it is not his belief that it would make enough of a difference at this time to enforce relocation of the fence. Discussion ensued. Regarding potentially modifying the Development Code on fence regulations in commercial zones, C.A. Daykin informed that it would be appropriate for the City Council to initiate that and provide direction to the Planning Commission, though it may be beneficial to wait until all Councilors are present. The consensus of Council was to bring this item back to discuss at the next Council meeting, and to craft a license agreement to allow the use of the fence at Tina's Restaurant in its present location.

Resolution No. 2018-07, State Shared Revenues

A motion was made and seconded to adopt Resolution No. 2018-07, a resolution declaring the City's election to receive State revenues. **The motion** passed unanimously.

Resolution No. 2018-08, Municipal Services Certification

A motion was made and seconded to adopt Resolution No. 2018-18, a resolution certifying the municipal services provided by the City of Dundee. **The motion** passes unanimously.

Resolution No. 2018-09, Salary Schedule

C.A. Daykin briefly reviewed his agenda report on page 129. A **motion** was made and seconded to adopt Resolution No. 2018-09, a resolution establishing employee compensation ranges and the HRA VEBA contribution amount for fiscal year 2018-19. **The motion** passed unanimously.

Release of Claims – Waste Water Treatment Plant

C.A. Daykin reviewed that for over a year there has been a lot of negotiation about recovery of costs that CIS had incurred paying the City of Dundee for losses due to the initial flooding event at the WWTP and the subsequent repair event, totaling near \$1 million. C.A. Daykin pointed out that normally the flood insurance deductible is \$50,000, but because the incident was related to a construction defect the insurance covered all but the \$1,000 deductible for the City. He explained that CIS has coverage for the first \$500,000 and for anything over that they have a secondary company for additional coverage. He discussed that the contractor is involved in the negotiation and they did make a settlement which is bit over half of what they actually paid to the City. He explained that while CIS expected a larger settlement amount, they realize that if they pushed it to trial they may end up at the same number anyway after accounting for legal costs that would be incurred. C.A. Daykin informed that he received this information late last week and forwarded it to the City Attorney; on Monday C.A. Daykin received an updated Agreement which he forwarded to the City Attorney as well. C.A. Ramis has reviewed the Agreement and recommended that it's good to go, though pointed out that in the Agreement the City is stating that they are not going to have any further claims against Team Electric. Additional discussion ensued and the Agreement was reviewed by Council.

C. Nelson suggested that the Agreement should more specifically address that it pertains to issues brought forth during the flood. C.A. Daykin suggested contacting C.A. Ramis by phone for clarification. C. Svicarovich phoned C.A. Ramis and C. Nelson discussed his concern that the Agreement more specifically address the subject matter. C.A. Ramis informed that an Amendment could be brought forth if Council desires the subject be addressed more specifically; language could be drafted to address their concern and then provide that to the involved parties. C. Nelson inquired as to whether or not this is advisable to move forward with considering the complexity of the electronics and the event which took place. C.A. Ramis discussed that though he does not know the full story of the events which took place, it seemed to him that a revision of this nature may be worth a try. Discussion ensued and the events which took place were briefly reviewed for C.A. Ramis. C.A. Daykin pointed out that if a claim were brought forward at this point it may be challenging to prove that it was associated with the flooding event, and also noted that it is now well outside of the warranty period from the 2016 construction. Given that Council has raised this concern, C.A. Daykin suggested scheduling a discussion between C.A. Ramis, a CIS representative, and himself tomorrow. C.A. Daykin recommended that following this discussion, if C.A. Ramis is comfortable with the idea of proposing an Amendment, to move forward with that if Council desires.

A motion was made and seconded to authorize the City Administrator to execute the Settlement Agreement and Release of All Claims either as written or with agreed upon legal amendments (proposed modifications) pending discussion with legal counsel. **The motion** passed unanimously.

Council Concerns and Committee Reports

C. Adlong informed that she would like to discuss information pertaining to the lease at Dundee Billick Park. C.A. Daykin reviewed that he had requested a copy of the current lease document between the school district (who owns the property) and Chehalem Park and Recreation District (CPRD). C.A. Daykin explained that it is his belief that there is not a current agreement. He also discussed that it is his belief that at this point the City is in a situation where Billick Park is on

property which is owned by the school district, which CPRD continues to use and maintain the park though there is not a formal agreement in place which authorizes that use. He discussed that the original park was constructed almost 30 years ago using a Federal grant; the Federal grant required that the park remain in perpetuity. Though it was originally thought that the grant would be denied due to its being leased, some modified language was apparently found to be acceptable by the State official overseeing the grant program at that time. C.A. Daykin discussed that the State official he talked with more recently was surprised that the original lease was accepted. It was noted that from the State official's perspective, CPRD is the ultimate responsible party to ensure perpetuity of that as a park. C.A. Daykin reviewed that there is a process that must be undertaken to take convert the park are part of the park to non-park use, and requires it to be replaces with a park of equal amenities and value; and must be approved by the State. He reviewed that it is not allowable to supplant existing park land for replacing a park; it must be new land. C.A. Daykin pointed out that, in other words, the Jan Sander estate property that CPRD purchased across the street from Billick Park cannot be used to replace Billick Park if for some reason the school district decided they wanted to expand in that area.

C. Adlong pointed out that CPRD is trying to determine how to develop the Sanders Property now. She noted that during a recent public meeting this topic was raised; many seemed to assume that if something happened to Billick Park that the Sanders property would then become the replacement park, which would not be the case. C. Adlong pointed out that this puts a new perspective on what should potentially be done with regard to the Sander property. She advised that there will be a Parks Advisory Committee meeting tomorrow where she plans to discuss some of the questions pertaining to the survey; she explained that there will be a survey sent out to all of the citizens of Dundee to gather feedback on how the citizens of Dundee feel the Sander property should be developed. C. Adlong pointed out that Billick Park and the Sander properties are two different properties and one can't replace the other. Additional brief discussion ensued.

Mayor's Report

C. Svicarovich reported that she has noticed that with regard to the new improvements along Highway 99W, that it seems like people are parking really close to the ADA ramp located on the corner of Seventh and Highway 99W near the Bistro. She suggested that potentially restricting one parking place next to that curb ramp could be one option to improve this. Additional discussion ensued and it was suggested that painting the curb to indicate a "no parking" area would be the best approach. C. Svicarovich also suggested this could be a helpful approach across the as well; she notes vehicles parking in close proximity to the fire hydrant in this area where the curb markings have faded. C.A. Daykin offered that this could be accomplished.

City Administrator's Report

C.A. Daykin informed that the City went out to bid for the Locust Street and Water Line Improvement project. He pointed out that one of the issues which came up is that the City is designing the project with a separated sidewalk and on the Fortune Park side there is asphalt pavement that is very close to where the new sidewalk will be; there is a change in elevation. City Staff have not yet been able to coordinate with CPRD to meet at the location though this situation needs to be addressed. Additional discussion ensued and though C.A. Daykin reviewed that the City will do its best to do the right thing with regard to the situation, some amendments need to be provided to accompany the bid documents next week. Additional detailed discussion ensued. It was noted to be a very busy time right now for CPRD with the recent opening of the new aquatic facility.

C.A. Daykin informed that he does expect to bring back a recommendation for slurry seal bids at the next City Council meeting. He reviewed the City participated in the procurement process led by the City of Hillsboro, which included participation from Oregon City and Sherwood. He

discussed that there only ended up being two bidders; the local bidder based out of Vancouver, WA ended up not participating due to being overscheduled already. C.A. Daykin informed that the two major providers of the service are located out of state. It was noted that due to details in the bidding process with regard to the quantities, etc., the second low bidder turned out to be a better bid price for the City of Dundee versus the rest of the cities based on the bidders' allocation of fixed costs. Though C.A. Daykin expressed his disappointment that was the results this time, he indicated that the City will move forward as originally planned. He discussed that he is still hopeful that there is an opportunity negotiate with the firm that they will award to with some adjustment to their pricing; if not, the cost will be a bit more than anticipated. C. Nelson inquired as to what the price difference was shown to be and C.A. Daykin could not recall the exact costs at this time. C. Nelson pointed out that there are only two or three companies in the Northwest that do slurry sealing, and the needs of the City of Dundee would potentially fall short of reaching their minimum square footage requirements and thus requiring the City to join together with other cities in order to have the work completed. In the future C.A. Daykin suggested that the City could try to go out earlier for bid and potentially try to go about it alone.

Public Comment

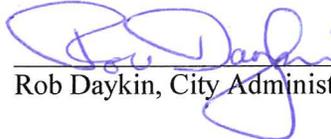
None.

The meeting was adjourned at 9:49 P.M.



David Russ, Mayor

Attest:



Rob Daykin, City Administrator/Recorder