

**CITY COUNCIL MEETING
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June 7, 2016**

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City of Dundee
City Council Meeting Minutes
June 7, 2016

Call to Order

Mayor Russ called the meeting to order at 7:02 P.M.

Council and Staff Attendance

Present: Mayor David Russ, Councilors Storr Nelson, Kristen Svicarovich, Tim Weaver (arrived at 7:30), Doug Pugsley, and Ted Crawford. Excused absence: Jeannette Adlong. Staff members: Rob Daykin, City Administrator; Shelby Rihala, City Attorney; Greg Reid, City Engineer.

Public Attendance

Dave Huber, Waste Management; Michael Humm, Kennedy/Jenks Consultants; Mark Cullington, Kennedy/Jenks Consultants; Tony Snyder, Oregon Department of Transportation; Jeff Twenge.

Agenda Changes

There are no amendments to the agenda.

Public Hearing: Budget for Fiscal Year 2016-2017

Mayor Russ called the hearing to order at 7:04 P.M. to consider the budget for the fiscal year 2016-2017.

Staff Report:

Included in the agenda packets is a copy of the notice that was placed in the newspaper for the public hearing, as well as the budget document which includes the portion approved by the budget committee. C.A. Daykin reviewed each of the nine issues that have come up since the budget approval on May 4, 2016. These items are detailed on C.A. Daykin's report dated May 31, 2016.

Public Input:

None.

Questions from Council:

C. Crawford expressed concerns regarding the marijuana tax revenue estimate, and suggested that similar to the wine industry, tourism over the summer months will most certainly result in increased tax revenue. Mayor Russ reported that he received a call from Tom Burns of Chalice Farms. Mr. Burns indicated that they are seeing approximately equal foot traffic through their door as previously, but that those shoppers are not purchasing from them and are choosing to go elsewhere due to the higher 10% tax in Dundee. Mr. Burns also expressed concern about being able to continue to operate his business under the current tax structure, and that they may have to leave Dundee if the tax couldn't be brought in line with the state approved amount. C. Crawford inquired whether the revised budget estimate was based just off of continuing the trend of lower tax revenues. C.A. Daykin affirmed it is based on recent returns. Crawford maintains that he feels there will be an increase because tourists are not as price sensitive as the everyday consumer.

C. Crawford inquired as to why the savings of \$12,000 on debt service was chosen to put into the overlay project, and wonders if that money could be used instead for the TE project. C.A. Daykin explained it could be included in either account, although he suggested the overlay program

because over the years the costs of overlays have increased beyond what we anticipated 3-4 years ago when the original loan was taken out.

C. Crawford inquired about the possibility of using \$2500 from the tourism fund toward the lobbying effort for additional funds to do improvements to the highway that would facilitate visitors getting to Dundee. City Attorney Rihala inquires whether this is transient lodging tax. C.A. Daykin confirms that it is indeed the tourism promotion component (70%) of the transient lodging tax. C.A. Rihala explained that she hasn't taken a look at that question before but will do so, although she believes it to be fine. Mayor Russ stated that the belief is that the completion of the bypass would have a significant effect on the quality and business operations in Dundee, which would affect tourism. C. Crawford stated that at a recent Yamhill County Parkway meeting where they were asking for additional funding, he proposed the idea of using tourism tax revenue which seemed well received. Discussion ensued about the bypass project as it relates to the lobbyists, and the projected flow of traffic and its effects on the City of Dundee. The consensus was that the Council wishes to move forward with doubling the lobbying effort, barring any kind of concerns that the City Attorney may raise, out of the tourism fund budget.

Deliberations:

C. Crawford states that he feels the TE project needs additional funding, and feels money slated for the overlay project should be given to the TE project. Mayor Russ agreed with this and C.A. Daykin made note of that adjustment.

C.A. Daykin initiated discussion regarding the Façade Improvement Program. He explained that it is likely that more of the program costs will carry over to the next fiscal year than anticipated in the approved budget. Daykin indicated that if we do go over that amount and there is a need to adjust the budget, it could be done either as a supplemental or as a transfer at minimal cost to the City.

The hearing was closed at 7:24 P.M.

Public Comment

None.

Consent Agenda

The motion was made and seconded to approve Consent Agenda items 6.1 City Council Minutes, May 17, 2016 and 6.2 Financial Report Ending April 30, 2016. **The motion** passed unanimously

Old Business

Biosolids Plan Options

Michael Humm and Mark Cullington, consultants from Kennedy/Jenks, reviewed the technical memorandum (TM) evaluating alternatives and associated costs for beneficial use or disposal of biosolids generated and stored onsite at the City's wastewater treatment plant (WWTP). A copy of the draft TM from Kennedy/Jenks consultants, dated June 2, 2016, was provided to the Council in the meeting agenda packet (pages 95-112). Humm reviewed the City's present sewage process, including explanation of the current process of waste solids in the faculty of sludge lagoon (FSL). Only the South FSL has received waste solids since the inception of the plant in 2012, allowing the City to use the North FSL as an equalization storage tank during high influent flow events. Humm explained that as part of their process they took a look at the historical wasting rate. The daily amount of sludge wasting fluctuates depending upon the amount of influent loading, or flow. He makes specific mention of the fact there is high influent loading

generated towards the end of the year during local winery industry's crush period. During these periods of higher influx, more waste is then subsequently added to the lagoon as well, which takes some time to equalize back down. Although the rate at which the waste is discharged into the lagoons can be adjusted each day, this can only be done at 10% daily increments due to the fact that the biological process doesn't respond well to a lot of quick change. Humm explained that although fluctuations are to be expected, they are a little bit higher than expected, and they are looking into how that may affect the frequency of the biosolids disposal out of the lagoons. Depending on the results of their findings, they may be able to report back what may be able to be done to address potentially more frequent disposal.

Humm reports that late last summer the plant took five sludge samples. Analytical testing of the biosolids as well as a depth measurement provided a benchmark for quality and quantity of the sludge. This information is useful to help inform them of how much material they are working with and what kind of application rate they could be looking at. Humm discussed the capacity of the lagoons (see Figure 3 on page 101), and also shared information from the data collected from the sludge samples. Some good news is that the two benchmarks for what are required to meet a Class B biosolid (which the plant is designed to meet), fecal coliform and the 40 day bench test, both were under the required thresholds. There were some questions or curious nature of the results, however, due to the consistency among the fecal coliform. Humm indicates they'd expect it to be more varied. Because of these findings, Humm reports they are recommending another data set be taken. This will also provide an opportunity to evaluate for nitrogen content which drives at what the solids application rate can be. Mayor Russ and C. Crawford inquire whether the wine makers' solids could be a factor in this. C. Nelson further inquired whether it is a function of how well the plant is working, or is it a dilution factor with the amount of non-fecal/organic material in there. Humm responded that it could be a combination of both.

C. Crawford inquired about pretreatment programs used by local wineries. C.A. Daykin responded that there has been no change in the method of how the wine waste comes to the city. The largest winery, 12th & Maple Wine Co., is the only one with a pretreatment program. Mayor Russ suggested the possibility of adding some rules or additional fees to the winemakers. C.A. Daykin responded that the City will be looking at what role the winemakers play in this issue, what impacts the plant, what things can be done to mitigate those impacts to the plant, and whether or not there is a cost that would have to be reflected. Humm advised that knowing projected metrics on winery growth would be an important piece of information to them; C.A. Daykin and Humm will discuss this at a future time. M. Russ recalls a prior conversation a year or two ago regarding potentially charging them or forcing them to do some pretreatment. City Engineer Reid indicates that he has the proposed monitoring plan from K/J and wishes to go over it with the city administrator prior to its implementation.

Two methods for removing biosolids were discussed. First, a lagoon dredging process was discussed. In this process a boat with some kind of a vacuum or suction pump on it is deployed in areas where you want to maintain that water cap, or only want to grab the sludge off the bottom. It's typically used when you will be dewatering solids and trying to minimize how much water you are handling. The other option to remove solids is more of an agitation or stirring method. In this method the water cap is drawn down as close as possible to the solids, stir up all of the contents into a slurry mix, and then pump everything out. This option is usually used when odor is not as much of a concern, or when you are liquid hauling, and does not require dewatering.

Humm discussed the two general methods of biosolids disposal, land application and disposal at a qualified landfill. Beneficial use (land application of biosolids on DEQ authorized sites) is the method most preferred by DEQ. A biosolids management plan (BMP) is required in both

methods. The beneficial use site must be approved by the DEQ, and has a site authorization component. Humm indicates that based on the high nitrogen content of the samples, the application rate of biosolids is approximately 2.14 dry tons (DT) per acre, which Humm reports is on the low side of typical application rates of 3-5 DT per acre. Discussion ensued on calculating the amount of sludge, collecting samples and testing of the sludge, and costs related to removal and disposal based on the DT per acre calculation. Cullington reports that a contractor will charge per gallon that they remove from the lagoons, not per dry ton they lay. Humm indicates that the BMP landfill requirements are that the material must pass a paint filter test, which helps determine if there is free liquid in the product. Humm goes on to explain that this means that the product needs to be dewatered before taken it to the landfill. This process adds a handling and a process step prior to disposal which therefore increases the cost substantially.

Humm reports that they looked at land application at a local farm site and also the acreage available at the waste water treatment plant (WWTP). An important factor in using the land application option includes the ability to find land in close proximity to the City due to the cost of the haul. Humm reports that if the site is closer than 20 miles, it is typically better to liquid apply; if you are beyond 20 miles it becomes cost effective to dewater. Humm reports that they were able to locate a local farm within the 20 mile radius from WWTP, as well as a hauler and land applier who has that land secured. That vendor has provided a quote for the stir-in-place method as well as the liquid application (see Table 3 Alternative 1: Land Application Summary of Costs on page 107). Humm goes on to report that the application period is from June to September. The plan would be to contract with this hauler, to try to lock them in both in terms of a disposal site as well as a possible long-term contract set-up that would provide the City assurance of where they are going with their biosolids. Humm next reviewed the costs reflected on Table 3 (page 107). He noted that the quoted price of 5 cents per gallon is half of the price of the seed sludge they were hauling from McMinnville into the plant, thus a great price.

Humm reports that they also looked at the ability to apply for a site at the WWTP. There are about 9 acres in the footprint of half of Lagoon 1 and Lagoon 2 that were decommissioned; approximately 8 acres would be available for use after setbacks. Upon looking into this option, they looked at City owned stirring equipment and dredging equipment, pretty expensive initial capital costs. Humm explained that City plant lands are only able to take about 20% of the solids that are annually produced, so there is still a continuing need to haul off the majority of the solids. With this option there is some cost reduction, but an investment in the City owned equipment. One nuance that has been discussed through this draft report is to potentially have the hauler apply on-site, and then take the bulk of it off-site. This option may reduce the 5 cent per gallon cost some for the application on-site, but would increase the administrative reporting fee since there would be two sites involved. Humm indicates that it is easy to include this in the BMP as an option, and also easy to complete a second site authorization. C. Nelson inquired about whether or not ODOT takes any biosolids. Humm indicated that they had an initial meeting with ODOT at which time they were open to the idea. Upon discussing the details of what the access in and out of the bypass entailed, the idea was less appealing and the available acreage was pretty small. He indicates the option wasn't further pursued.

Humm next discussed the landfill application option for biosolids disposal. This process involves dewatering the material as it's pulled out of the lagoon. The costs go up exorbitantly when the site location is beyond the 20 mile radius area. The removal cost quoted (Table 4: Alternative 2: Landfill Disposal Summary of Costs, page 108) includes dredging and onsite dewatering which is very expensive.

Next Humm reviewed net present value of the 20-year lifecycle cost analysis (Table 5, page 108), which showed that by far the land application is most favorable. Humm then briefly reviewed some of the important cost factors in the previously mentioned details.

Mayor Russ inquired about the capital costs of the City purchasing equipment in alternative IB (land application) option. Humm confirmed this option does include the cost of the City owned equipment, and suggested potentially discussing this option further with the hauler to see if initial loads could be first applied to the 8 acre parcel, with the remaining loads to be taken off-site, an idea first suggested by C.A. Daykin. This could potentially be a more cost-effective method; however, there are some unanswered questions regarding specific details of this option. Humm stated he will include this option (including costs) for his final report.

Mayor Russ inquired about the size of land needed if the City potentially wanted to purchase its own land to apply on; M. Russ suggested a 100-acre parcel would likely be needed. M. Cullington confirmed that it would need to be at least that large. Humm confirmed that the farm presently secured is 300 acres. Cullington further explains that in alternative 1A (local farm location), the City would have actual control of the land application site. He indicated that this is part of the permit, not just a one-time use, and would be available for the contractor to use if the City needed to land-apply periodically. Cullington informed the Council that although there is an agreement with the farmer, the City's biosolids would have precedence on that site. M. Russ inquired about the terms of the land use with this option. Cullington replied that it is dependent on the farmer and what their needs may be, but recommends holding the site for a five-year period. Cullington explained that the term limits can vary, and that he has seen them vary from 1 year to as many as 20 years. He added that hundreds of sites in Oregon have gone through this process and that many options are available, possibly with renewal options included as well.

C. Nelson inquired about how the City of Newberg handles their biosolids. Humm explained that they compost it by taking approximately 3 parts sawdust and 1 part biosolids and composting it in an industrial vessel system. Cullington goes on to explain the process in more detail. C. Nelson inquired about whether this might be an option for the City of Dundee. Humm reported that they did look at a digester option on the solid side during the facility plan and indicates they found the lagoons to be by far a more cost-effective option. Humm further discussed the details of their investigation into that option.

Mayor Russ pointed out that in option 1B, the cost of staff time is not figured into their cost analysis of the equipment. Humm confirmed this and advised that the figure shown is a first-year capital expenditure only.

Mayor Russ inquired about what options may be available to us given the present conditions of the mix at our facility, including the contributions of material from the wineries, and the fact that our test results are indicative that some our mix is ready now. Russ notes that we are nearly reaching the compost point just by our natural mix. Cullington explained that this is not allowable by the regulations as there are processes that are defined by the federal government. Cullington explained further that we would need to have the equipment and facilities to go about developing what is called a "Class A program", which costs hundreds of thousands of dollars in capital.

Mr. Humm summarized their findings including the good news that they believe the sludge quality to be better than expected, although they are recommending additional sampling. Humm reports that they would like to target next summer for a removal. In the meantime, they would complete the BMP and the site authorization for the farm they have identified. He stated they could add the treatment plant site as an option as well, although he would first like to understand

better what those costs are if the hauler were to provide them before providing a recommendation to incorporate that. The BMP goes through a DEQ review process and then a 30 day public comment period. Humm recommended starting discussions with the hauler and vendor to develop that relationship and that contract. Mayor Russ notes that it would be a good idea to secure sooner than later in case others were interested in that site. C. Pugsley inquired about whether the current City sewer rates reflect these additional costs since this was part of the original plan. C.A. Daykin confirms this to be true. Humm stated that he would like to look at the winery contribution and also understand what the expected growth in that industry is to see how that would play out at the plant. He shared that he would like to make sure that wouldn't be displacing the solids production that was targeted for residential growth. Cullington noted that securing a land application site within the 20-mile radius is not all that common.

C. Crawford inquired about whether discussions have ensued with the wineries to determine what their expected production is. C.A. Daykin explained that Kennedy/Jenks was asked to help set them up on a pretreatment program, or at least a program to monitor and report what they are doing. C.A. Daykin reports this is being worked on presently for all of the wineries. City Engineer Reid indicated that he recently met with and toured the 12th & Maple Wine Co. He stated that they are planning to expand the non-treated facility and increase all of their tanks. C. Crawford noted that he believes last year the Wine Press noted 12th & Maple Wine Co. to be the biggest winery in the state.

Resolution No. 2016-09, Solid Waste Rates

The motion was made and seconded to approve Resolution No. 2016-09, adopting solid waste and recycling service rates for Waste Management of Oregon, Inc. effective July 1, 2016. **The motion** passed unanimously.

TE Sidewalk/Streetscape Project Update

City Engineer Reid reported that at this time we are seeing a significant increase in the overall cost of our phase of the project primarily due to the ADA requirements adding significant work tied to the highway preservation component that will occur in the second phase. Reid notes that all existing ramps have to be rebuilt, storm drainage to accommodate the new ADA ramps redone, and most curbs have to be replaced to accommodate crosswalks for ADA. Reid reports that this results in about \$900,000 of preservation related work in Phase 1 that is the responsibility of ODOT. This will require a new IGA between the City and ODOT to ensure we have the resources to complete Phase 1. Reid stated that Tony Snyder, ODOT Project Manager, is trying to get additional funds on our behalf, and that he doesn't believe it will require more City match on our part. Reid further noted that the same thing has happened for Phase 2; that part of the project designed and constructed under ODOT's direction. Reid reported other increases in the estimates are due to increased construction costs. He stated that apparently the estimated assessments from the LID component of both phases will offset any local match to additional grant sources. Reid also noted other improvements being funded by City utility revenues also increased in cost. The sanitary sewer improvements went up about \$27,000 to extend new services at 10th and 11th, and the water improvements have increased up to about \$400,000 (from approximately \$200,000) due to additional work being formed and some inflation, and possibly a quantity error in the old estimate.

Reid reported that another concern is regarding the underground work. The cost to install conduits for future undergrounding of the franchise utilities is now estimated at about \$250,000 based on recent experience with the Tenth Street project. Reid shared that he is also working with Comcast to have them provide the vaults for Phase 1 and complete undergrounding of their overhead utilities. Reid explained that their understanding was that the City of Dundee would provide for the conduit in our phase as well as ODOT's phase, which is not what we indicated in

a letter sent to Comcast earlier this year. Reid states that we agreed to provide conduit in our phase, while Comcast was to complete the portion for the ODOT phase. He reports that they now are in agreement that they will provide the vaults for us and we'll install them, but they want us to provide all conduits to facilitate undergrounding for the project as a way to be partners in the cost of the project. C.A. Daykin stated Comcast noted the cost of undergrounding, estimated at \$185,000 is based on the conduit being provided by the City. Comcast indicated that while this is a large financial commitment and they are willing to be partners for this project, but requiring a much larger financial commitment may result in retraction of their willingness to participate. Reid explained that installation of conduit under the sidewalk in our phase of work is critical since there is not sufficient right of way, which is the part the City indicated it would pay for. Outside in the ODOT areas the right of way area is wider, making it easier and more cost-effective to install the Comcast infrastructure. C. Crawford inquired whether discussions have ensued with Frontier. Reid responds that he had some conversation with them, and Tess Fields from Comcast indicates Frontier has reached out to them and Frontier is willing to participate as well, although we have not heard at what level.

Tony Snyder, ODOT reported to the Council regarding why and how the ADA requirements have changed. Snyder gave many examples of how this is affecting work they are completing, including repair work which may have previously been deemed exempt from ADA improvements. Snyder reports that the City received \$1.7 million for the TE project for sidewalks and other related improvements. Snyder reports that he took \$1.6 million from the highway preservation project that went from McDougall junction to Newberg and added it to the \$1.7 million, bringing the total ODOT funding to about \$3.2 million. Snyder reports that now City limit to City limit is to be completed with the sidewalk improvements with additional funding by the City through property assessments. Snyder reported that the total funding requirement for the City and ODOT is \$5.8 million (City limit to City limit), not including other City contributions to the project. Snyder also reported that he recently submitted a request for an additional \$2.6 million. Mayor Russ expressed concerns about the funding and inquired when the funds will be available. Snyder stated that as soon as they have an assurance that the \$900,000 needed for Phase 1 will be funded, he can then get the IGA written. As soon as this is complete, the City can move forward with the work. Snyder is hopeful he will know if the funds are in place in the next couple of weeks so he can then begin the IGA process. M. Russ expressed concern about the timeline for the project, and options for the City to potentially begin this process sooner were discussed. Snyder noted that this has been a complicated process of financing with changing rules and regulations and is sympathetic to the time this has taken, but pointed out that although there have been some increases in utility costs for the City, thus far the amount of money being matched for the \$1.7 million TE fund program hasn't really gone up much at all, it's just taken more time. Reid notes that the funds Snyder is trying to obtain on our behalf will also cover the costs of the parallel storm water pipe from Seventh Street past the fire station (instead of Reid's proposed equal sharing of costs) as well as the 36" storm pipe from Eleventh to Twelfth Street.

Snyder stated that the project will take over a year to complete. He noted that while funds are available for many aspects of the project, no money is available for fixing and repairing the underground storm drain infrastructure that is 50-70 years old. And although this cannot be ignored, along with the ADA regulations, the concern is how it will be paid for. Snyder assured the Council that he is putting the City of Dundee ahead of other projects. Mayor Russ expressed concerns that time is of the essence with getting things going on the project. Conversation ensued regarding specific details of the project, and Snyder indicates he expects Phase 2 work to begin in the middle of the wintertime. C. Svicarovich inquired about the present schedule and Snyder replied that he is at DAP, design acceptance package, on the project, but additional work on refining the design is pending on additional funding. M. Russ inquired about a date in which

he should step into the process to help. Snyder indicates that Tim Potter is on vacation for the next three weeks, but upon his return a decision should be made on the funding. If the funding is there, he will let C.A. Daykin know so that work can be done on the IGA. Snyder also indicates that he should be able to start up the design process again almost immediately.

City Engineer Reid revisited the traffic control issue. Reid proposed doing a 2-lane diversion where one of the outside lanes would be taken away, work one side of the street, divert the traffic into the middle lane, and the other lane would stay as it is (we would lose the left turn lane). Reid advised he had discussed with Tony the option of allowing left turns at the main intersections of Seventh Street and Ninth Street, but restricting left turns to businesses within the work zone otherwise. The idea of leaving the diversions in place continuously was also discussed in an effort to save time on set up/tear down. The consensus was that while the businesses along the construction route will likely not be satisfied with this plan during their phase of work, this may be the most effective way to improve our City. Although Reid has not yet worked out a detailed timeline, he estimates the work requiring diversions to begin in approximately November. Snyder also points out that the City will likely get less expensive bids for work during the winter months when companies are less busy, as opposed to the summer months when work is abundant. Reid estimated that a diversion would likely be in place for a month to complete a block. He also noted that the main intersections would be completed first as night work. Conversation ensued regarding possible scheduling options for the remaining phases of the project. Reid pointed out that night work is typically less efficient and more costly, and that he will be looking at ways to keep the impact to traffic and local businesses as much of a minimum as possible. The unique traffic patterns in the City of Dundee were discussed, and Snyder reassured the Council that they will do their best to carefully monitor the traffic patterns and plan accordingly.

New Business

Sewer Easement Revision

City Engineer Reid reported that Jeff Twenge submitted an application for partition of his property at 720 SE Parks into two parcels, and would like to construct a new home on one of the parcels. This portion has an easement that was established through a street vacation. The easement is 30 feet wide with one sewer line in it. The owner has asked to reduce the easement to accommodate the development and improve the ability to put the new structure on the second half of the property next to the easement. The owner originally asked for a 10 foot reduction, and Reid responded with a 5 foot reduction so access to the line could still be maintained. The owners were able to adjust their site plan to make it work for them. In exchange for the reduction in the easement, the City has asked for some compensation in giving that up. The City would like the sewer main (which we have not scoped) to be video inspected. Twenge has offered an additional \$1,500 to support any repairs that might be needed to that line in addition to the video inspection. The details of the request were reviewed further (as also noted on the Sewer Easement Revision report included on page 121 of the agenda packet). Property owner Jeff Twenge was present and further explained his proposal to the Council. C.A. Daykin advised that an inspection of the sewer line would be useful in confirming that everything is working well. **The motion** was made and seconded to approve the preparation of an amendment to City Ordinance No. 241 reducing the easement five feet as requested by owner, Jeff Twenge, subject to the review of a video inspection of the sewer line between manhole no. 8 and manhole no. 9 by the City Engineer, reimbursement from the owner to the City of up to \$1500 for repairs of defects found from the video inspection, and reimbursement from the owner to the City for preparation and recording of the amending ordinance. **The motion** passed unanimously.

Water/Sewer Bill Appeal

C.A. Daykin provided the Council with an additional Meter Reads/Consumption History insert for the agenda packet. Information regarding this is also contained in the report dated May 31, 2016 on page 127 of the agenda packet. Mayor Russ requested the additional information regarding the amount of recorded water and expressed concern about the possibility of a flaw in the meter which doesn't appear to be the case. C.A. Daykin confirms that there was a verified leak confirmed related to the December 2014 meter read. The very high, unexplained water use for January 2016 was not confirmed to be a leak. Similar events have only rarely happened in the past where there is no explanation for the high volume of water recorded, then returning to a normal level. C.A. Daykin explained that under the current policy if a leak was determined to be going into the sewer system, then it is not eligible for a sewer leak credit. In prior occasions when the Council finds this does not appear to be the case, a sewer credit is provided, but not a water credit. **The motion** was made and seconded to approve the eligible credit of \$268.11 for the sewer leak adjustment for 740 SE 10th Street. **The motion** passed unanimously.

Resolution No. 2016-10, May 17 Election Results

The motion was made and seconded to approve Resolution No. 2016-10, a resolution accepting the canvass of votes (canvass report) for the May 17, 2016, primary election, as provided by Yamhill County Clerk Brian Van Bergen for Measure 36-180, Dundee Charter Amendment. **The motion** passed unanimously.

Ordinance No. 546-2016, Urban Renewal Agency

C.A. Daykin explained that the purpose of this is to activate an urban renewal agency for the City of Dundee. C.A. Daykin reviewed the details of the ordinance, as noted in the report dated June 1, 2016, on page 131 of the agenda packet. C. Nelson inquired about when public will have a voice in the agency. C.A. Daykin explained that once the ordinance is adopted, and if after 30 days it has not received a petition to subject the ordinance to referendum and the ordinance is validated, then the agency is officially activated. The agency could then pursue the development of a plan. C.A. Daykin goes on to explain that an urban renewal plan has a very detailed process set out by state law in terms of public engagement and the contents of the plan, and at the very minimum include a public hearing for the planning commission and a final hearing and adoption before the City Council. **The motion** was made and seconded to adopt Ordinance No. 546-2016, an ordinance relating to Urban Renewal Agency and amending the Dundee Municipal Code. **The motion** passed unanimously.

As noted in the report, a proposal from the Mid-Willamette Valley Council of Governments for assistance in the preparation of an urban renewal plan will be presented at the June 21 Council meeting.

Resolution No. 2016-11, FY 2016-17 Salary Schedule

The motion was made and seconded to adopt Resolution No. 2016-11, FY 2016-17 Salary Schedule. **The motion** passed unanimously.

Resolution No. 2016-12, State Shared Revenues

The motion was made and seconded to adopt Resolution No. 2016-12, a resolution declaring the city's election to receive state revenues. **The motion** passed unanimously.

Audit Services Contract

C.A. Daykin explained that the fee of \$12,625 is in conformance with the proposal that was presented to the City back in 2014. This work will not include special audit services, priced at

\$3,000, since we did not have federal assistance in excess of \$750,000 during the current fiscal year. **The motion** was made and seconded to approve the contract and authorize the Mayor and City Administrator to sign the engagement letter from Grove, Mueller & Swank, P.C. confirming the City's understanding of the terms of the audit services. **The motion** passed unanimously.

Mini Excavator Quotes

Public Works staff has searched for a used mini excavator within the region, but found units that are offered for sale and meet our requirements do not stay on the market very long. C.A. Daykin explained that regarding the Yanmar VI035 for sale presently, if approved, Chuck Simpson would first travel to the location to inspect the equipment. If there were any concerns found the equipment would not be purchased. C. Nelson inquired about whether the City has a trailer at this time that could be used to haul this equipment. C.A. Daykin responded that a heavy-duty trailer was purchased a few months ago, but he is uncertain if this trailer is able to haul this piece of equipment. Nelson also expressed concerns that the City would need to have a truck that is able to haul both excavator and trailer as well. Nelson further suggested that it should be known where parts are readily available for this particular piece of equipment for ease of repairs and maintenance. C.A. Daykin will discuss these concerns further with Chuck Simpson as he was unable to attending the meeting tonight. Details regarding the excavator were further discussed. **The motion** was made and seconded to accept the quote from Kitsap Tractor & Equipment and authorize Public Works staff to purchase the Yanmar VI035 following inspection of the equipment and verifying parts service availability. **The motion** passed unanimously.

Council Concerns and Committee Reports

C. Crawford discussed the Façade Improvement Program and reports that he spoke with the property owner from the City Center Market. He indicated that he is going to talk to one of his architect friends and come up with some ideas. The property owner indicates that he is in it for the long-term and would like to do some improvements to the building. C. Crawford further indicated that there is approximately \$10,000 in funds available to match, allowing them to do a \$20,000 improvement on that piece of property. C. Crawford added the C.A. Daykin discussed the sidewalk project and proposed fence improvement with Dundee Garden Art owner, Craig Nies, but it appears now the owner will not pursue the façade grant since City Code limits the height of the fence to 4 feet near the street.

C. Crawford expressed concern about a possible residency issue with a member of the Planning Committee who has possibly moved out of Dundee, although this has not been confirmed. Danny Sikkens has a home on Ninth Street. Danny Sikkens is on the Planning Commission and Robin Sikkens is on the Tourism Committee; Robin is filling the resident role according to Committee line-up, so she is required to be a resident. C.A. Daykin reported that the Sikkens have clarified that their home on Ninth Street is now a vacation rental. The Sikkens' have indicated that they still own their own house on Ninth Street, and they stay between there and Newberg, indicating that they stay in the vacation rental when it's not rented. C.A. Daykin indicates that he is awaiting more detailed confirmation of the Sikkens' future plans. A discussion ensued regarding the importance of the issue of residency with regard to the Committees of which the Sikkens' belong. C. Weaver expressed concerns regarding the importance of going through the proper steps of the resignation process so that if they vacate, that they leave in good standing. The consensus by the Committee is that their primary residence should be listed as Dundee in order for them to meet the residency requirements making them eligible to participate on their Committees. C.A. Daykin will contact the Sikkens' to see if they will provide him with a letter of resignation.

Mayor's Report

Mayor Russ indicates that he received a call from Tom Burns of Chalice Farms, expressing his concern that their revenues have dropped considerably because of the higher taxes. M. Russ indicates that Burns indicated they are seeing the same amount of foot traffic that they had previously, but not as many people are buying because they state they can pay less in another town. He goes on to say that Burns suggested that he didn't know if he could continue to operate all of the way to the end of the year at that tax rate. M. Russ feels that they have a strong business. It is mentioned that Tom Burns is not the owner, but is lobbying and representing the store.

Mayor Russ shared that about a week ago members of the Parkway Committee met with Matt Garrett and others from ODOT. The topic was that ODOT is looking at a minimum of about \$12 million savings on the bypass for the Phase 1 as things stand. Part of the agreement was that the funds put in by the various entities would be redistributed from that savings in the proportions that those entities put in. Of the funds that were saved, it was noted that approximately \$6,000 could come back to Dundee. Russ reported that at the meeting, those leaders of the various entities were committed to presenting to our Boards to leave that money on the table, and that they use it to purchase right-of-way to continue the Bypass up to Rex Hill. M. Russ indicates that presently the funds are not in place to construct the highway, but if they purchase that right-of-way this may propel the process of moving forward with that plan. M. Russ indicates that the Willamette Valley Transportation board is sending their recommendation to OTC to support the idea of completing the project up to Rex Hill. Given this information, Matt Garrett is now on board with the idea. M. Russ states that he personally signed a letter yesterday stating his commitment to encourage the Dundee City Council to leave approximately \$6,000 in to help buy right-of-way. M. Russ states that while the \$12 million would help this cause, approximately \$30 million total is needed to purchase the Rex Hill right-of-way. M. Russ is encouraged by all of this new commitment and is in favor of increasing the lobbying effort as discussed earlier in tonight's meeting. He feels that with the bypass becoming completed and additional lobbying, that we should be able to get more federal funds to complete that next phase. M. Russ also feels that the completion of the Rex Hill phase could eventually lead to fixing the fishhook connection at Dundee as well.

City Administrator's Report

C.A. Daykin wishes to discuss the complaints with regard to the helicopter landing in the field near 7th Street within Dundee. C.A. Daykin indicates that he briefly spoke with City Attorney Rihala who feels that the best approach to this would likely be a land use regulation. C. Nelson suggested the idea of regulating it whereby rules would be put into place regulating that helicopter wouldn't be allowed to land within 100 feet of a residential structure. Rihala expressed that she was thinking much along those same lines with regard to creating a buffer zone from the residential area. Further concerns regarding the helicopters as well as ideas on regulation were discussed. Consensus was that the Council feels there is an issue here which needs addressed in some manner.

The City/County dinner hosted by the City of Dayton is coming up next week on Thursday, June 16th at 6:30pm. Mayor Russ, C. Crawford and C. Svicarovich indicate they will attend. C. Weaver and C. Nelson are unable to attend.

C.A. Daykin advised that the Mayor's position as well as three City Council positions will be up for election in the general election this year. C. Adlong, C. Svicarovich, and C. Weaver's terms end December 31, 2016. Election packets are now available.

C.A. Daykin indicates that City Planner Jessica Pelz sent out another memo to the main stakeholders in the Riverfront Master Plan on June 1, 2016 to let them know that we will be bringing this back to the next Council meeting on June 21.

Public Comment

None.

The meeting was adjourned at 9:48 P.M.



David Russ
Mayor

Attest:



Rob Daykin
City Administrator/Recorder