



**CITY OF DUNDEE**  
**CITY COUNCIL MEETING**  
**Meeting will be Teleconferenced**

801 N. Highway 99W, Dundee, OR 97115  
City Hall Phone: (503) 538-3922 Website: [www.DundeeCity.org](http://www.DundeeCity.org)

*The Mission of City Government is to provide essential, quality public services in support of the livability, safety and viability of the Dundee community.*

JULY 7, 2020 7:00 PM.

1. Open Regular City Council Meeting
2. Amendments to the Agenda, if any
3. Public Comment: Each speaker will be allowed up to 5 minutes to speak after being recognized by the Mayor. Councilors will generally not respond to comments except to ask clarifying questions. Council may direct concerns raised by the speaker to the City Administrator or place the issue of concern on the agenda for Council discussion.
4. Presentation: Computer System Proposals – Bryon Bailey, Blackpoint IT      Pages 1-12
5. Consent Agenda: The following items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member (or a citizen through a Council member) so requests, in which case the item will be removed from the Consent Agenda and considered separately. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Agenda.
  - 5.1 City Council Minutes, June 16, 2020      Pages 13-20
  - 5.2 PW Quarterly Report      Pages 21-22

*Action Required: Motion to Accept the Consent Agenda*
6. Old Business:
  - 6.1 SCA 2021 Grant Application – Myrtle Street      Pages 23-26
  - Discussion*
  - 6.2 PERS Side Account      Pages 27-30
  - Action Requested*
  - 6.3 CWSRF Loan Amendment      Pages 31-34
  - Action Requested*
7. New Business:
  - 7.1 LOC 2021 Legislative Agenda Priorities      Pages 35-50
  - Action Requested*
8. Council Concerns & Committee Reports
9. Mayor's Report
10. City Administrator Report

11. Adjourn

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Pending Business:

1. Public Works
  - 1.1 Highway 99W Street Lighting
  - 1.2 ODOT Phase B Highway 99W Improvements
  - 1.3 Water Line Relocation Project
  
2. Planning/Land Use
  - 2.1 Dundee Riverside District Code Amendment
  - 2.2 Exterior Lighting – Code Update/Street Light Standards
  - 2.3 Helipad Standards
  - 2.4 Vacation Rentals Code Amendment
  - 2.5 Pending Type II or Type III Land Use Applications:
    - 2.5.1 Conditional Use – Verizon Cell Tower
  
3. City Council
  - 3.1 Update SDC Methodologies
  - 3.2 LID 2013-01 Final Assessment Ordinance
  - 3.3 Storm Drain Master Plan Update
  
4. Parks & Trails
  - 4.1 Harvey Creek Trail Property Rehabilitation
  - 4.2 WWTP Nature Park
  
5. Next Available Ordinance & Resolution No's.
  - 5.1 Ordinance No. 572-2020
  - 5.2 Resolution No. 2020-12

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to the Administrative Assistant at City Hall (503) 538-3922.

# AGENDA REPORT

To: Mayor Russ and City Council  
From: Rob Daykin, City Administrator  
Date: July 7, 2020  
Re: Presentation: Computer System Proposals

The computer file server installed at Dundee City Hall is about six years old and is at end of life. The manufacturer no longer supports updates and replacement parts are starting to be a serious concern. I've been having on and off discussions with our IT consultant, Bryon Bailey, on this matter and I requested that he make a presentation to Council to discuss options for its replacement, including the option of a cloud based virtual server. Moving to a cloud based server has been brought up by members of the Council in recent years. Replacement of the file server was not included in the FY 2020-21 budget, although we have budgeted \$2,800 for replacement of our last outdated desktop PC that was customized to interface with the handheld meter reading devices. Replacement of the file server in the current budget year would require the use of the General Fund contingency which was appropriated at \$80,000.

Bryon will also discuss a new managed services approach to servicing the City of Dundee. Currently, the City is on a time and materials basis agreement. While we are not looking at going to a managed services agreement immediately, I wanted Council to have an opportunity to discuss this concept in advance of preparing next year's budget.



# BLACKPOINT

IT Services

9700 SW Capitol Hwy Suite 100 Portland, OR 97219

Quote# BPSQ43442

Date: 03/16/20

Account Manager: Bryon Bailey  
971-229-2217  
Bryon.Bailey@blackpoint-it.com

Prepared by: Cyril (Guy) Allen  
971-717-6539  
Cyril.Allen@blackpoint-it.com

**Sold To:** City of Dundee  
Sheryl Hartman  
620 SW 5th St  
Dundee, OR 97115  
United States  
**Phone:** (503) 538-3922  
**E-Mail:** sheryl.hartman@dundeecity.org

**Ship To:** City of Dundee  
Sheryl Hartman  
801 Hwy 99  
Dundee, OR 97115  
United States  
**Phone:** (503) 538-3922  
**E-Mail:** sheryl.hartman@dundeecity.org

Qty	Description	Unit Price	Ext. Price
	<b>HPE ML350 Server</b>		
1	ML350 Server Bundle	\$6,979.00	\$6,979.00
	HPE ProLiant ML350 G10 4U Tower Server - 1 x Xeon Silver 4210 - 16 GB RAM HDD SSD - 12Gb/s SAS Controller - 2 Processor Support - 16 MB Graphic Card - Gigabit Ethernet - 8 x SFF Bay(s) - Yes - 1 x 800 W		
	HPE Intel Xeon Silver 4210 Deca-core (10 Core) 2.20 GHz Processor Upgrade - 14 MB Cache - 3.20 GHz Overclocking Speed - 14 nm - Socket 3647 - 85 W		
	(7) HPE SmartMemory 16GB DDR4 SDRAM Memory Module - For Server - 16 GB (1 x 16 GB) - DDR4-2933/PC4-23466 DDR4 SDRAM - CL21 - 1.20 V - Registered - 288-pin - DIMM		
	HPE 800W Flex Slot Platinum Hot Plug Low Halogen Power Supply Kit - 1400 W - 230 V AC		
	(2) HPE 600 GB Hard Drive - 2.5" Internal - SAS (12Gb/s SAS) - 10000rpm - 3 Year Warranty		
	(3) HPE 1.20 TB Hard Drive - 2.5" Internal - SAS (12Gb/s SAS) - 10000rpm - 3 Year Warranty		
	HPE Integrated Lights-Out Advanced Plus 1 Year 24x7 Support and Updates - Subscription License - 1 Server - Standard - Electronic		
	HPE Foundation Care - 3 Year Extended Service - Service - 24 x 7 x 4		

By signing and dating the above referenced quote, customer authorizes purchase and agrees to BlackPoint IT Services Standard Terms and Conditions.

Approval Signature	Title	Date
03/16/20 12:51:26	BlackPoint IT Services	Page 1

Qty	Description	Unit Price	Ext. Price
	Hour - On-site - Maintenance - Parts & Labor - Physical, Electronic Service		
	<b>Microsoft Licensing</b>		
1	Microsoft Windows Server 2019 Standard - License - 16 Core - Volume - Microsoft Open License - Single Language - PC	\$972.00	\$972.00
1	Microsoft Windows Server 2019 Standard - License - 2 Core - Volume - Microsoft Open License - Single Language - PC	\$123.00	\$123.00
30	Microsoft Windows Server 2019 - License - 1 User CAL - Volume - Microsoft Open License - Single Language - PC	\$42.00	\$1,260.00
		SubTotal	\$9,334.00
		Est. Sales Tax	\$0.00
		Shipping	TBD
		<b>Total</b>	<b>\$9,334.00</b>

## Terms and Conditions

By ordering product, software or services you agree to BlackPoint IT Services Standard Terms and Conditions. For orders greater than \$5,000 USD 50% is due at the time of order placement and remainder due on receipt of hardware/software or project completion. Applicable sales tax and freight are excluded and will be calculated at the time of shipping unless specifically requested. Pricing is valid for 30 days except for special or promotional offers which may terminate earlier. In the event of a vendor price change we will notify you before the order is placed and adjust your price accordingly. All returns and exchanges are subject to authorization and may be subject to a 15% restocking fee. A copy of our Standard Terms and Conditions may be reviewed at <https://www.blackpoint-it.com/terms/>

## Scope of Services and Deliverables

BlackPoint will provide the following services:

- Configure Server Hardware and Operating System as Hyper-V Host (Microsoft Server 2019)
  - Will check compatibility to determine if 2016 OS should be installed instead
- Migrate Virtual Machines
- Migrate data and applications
- Configure Backups on new server
  - Intronus, does not include BlackPoint management of back ups
- Document new server information in Blackpoint systems/ remote touches
- Follow up support

Please note: any technical issues with third party applications will require support from the vendor.

## Estimated Timing

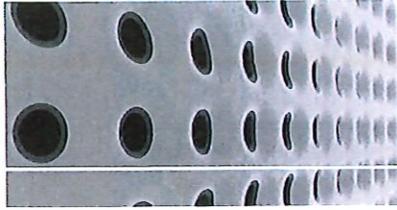
Project start date is dependent on availability of product and engineer. We expect this project to take approximately 3 weeks. There is an estimated lead time of 2 weeks post signing of SOW.

## Project Labor Costs

Labor for this project is quoted on a fixed fee basis at \$7,000. Fee includes travel. **Total Costs: \$16,334.00**

## Payment and Terms

A deposit of 50% on labor and product is required with the signing of this engagement letter. A signature is required in advance.



# IT Infrastructure Cloud Services Proposal

*Prepared for:*

**Rob Daykin  
City of Dundee  
620 SW 5th St  
Dundee, OR 97115  
United States**

*Prepared by:*

**Bryon Bailey  
BlackPoint IT Services  
20435 72nd Avenue South, Suite 200, Kent, WA 98032**

*Date Prepared:*

**6/4/2020**

[blackpoint-it.com](http://blackpoint-it.com)

**BLACKPOINT**  
IT Services

# **Benefits of IT Infrastructure Cloud Services**

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## **Control IT Costs**

You will not need to worry about setting up hardware, what happens when it fails or maintenance contracts. We cover these costs for you. Businesses don't often realize how a sudden hardware failure or a lapsed hardware warranty can cause them unexpected expenses.

## **Reduce Labor Costs**

Having your infrastructure in the cloud reduces the need for hiring and training an IT staff to manage your servers. The cloud lets you focus your human resources where you need them most.

## **Trained, Experienced, Qualified, Certified**

If you're not IT trained, how do you assure an employee maintaining your critical infrastructure is qualified? Certifications like Microsoft Certified Systems Engineer (MCSE) are important, but so is experience.

## **Get off the Hardware Merry-Go-Round**

You should refresh your hardware every three to four years which means costly outlays, expensive migrations and added costs. Infrastructure cloud services turns all of this into one easy to afford payment so you do not need to worry.

## **Cap-ex vs Op-ex**

Instead of a huge cash outlay and depreciating the asset match your expenses with your revenue with a single monthly payment you can fully expense.

## **Expand or Reduce Services Quickly**

You can easily scale up or down services as you need them. If you expect growth or need to consolidate servers you can easily avoid the pitfall of over buying equipment you don't use or constantly having to buy expensive new servers as you out-grow your current infrastructure.

## **Stay Focused on Your Core Business**

Businesses have limited resources, and every manager has limited time and attention. Dealing with hardware, budgets, renewals and licensing distracts you. Help your business stay focused on your core business and not get distracted by hardware you are going to need to re-purchase every few years.

## **Reduce Risk**

Cloud Services reduce risk, your data is not as secure physically on premise as it is in the cloud. You have the risk of employees, who could maliciously or accidentally harm your systems and the risk of fires or a burglary. Cloud infrastructure is stored in secured facilities with highly restricted access, redundant fail-safes, power and cooling.

## **Your Hardware Does Not Last as Long on Premise.**

Unless you invest in high powered cooling, redundant power supplies and other safeguards the temperature swings and intermittent power shocks will cause your hardware to have a shorter life and more prone to failure over time.

## **Compliance and Security**

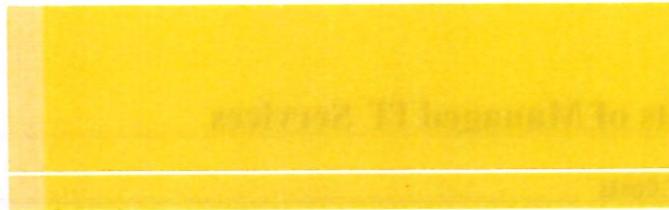
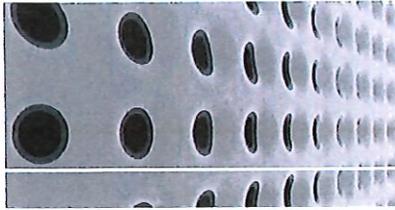
Many companies are now required by their vendors to protect their data. Having your servers in your closet is not compliant to almost all the standards. By putting your data in the cloud with a reputable cloud provider you check most of the SOX, PCI and SOC compliance standards most businesses need.

## Solution Summary

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QTY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	<b>Cloud Infrastructure Server 4 proc base</b> Cloud Infrastructure Server Base Config 4 Processor 1GB Ram 500 GB Hard Drive Windows Server 2016 Licensing	\$229.00	\$229.00
1	<b>Cloud Infrastructure Server 2 proc base</b> Cloud Infrastructure Server Base Config 2 Processor 1GB Ram 200 GB Hard Drive Windows Server 2016 Licensing	\$128.00	\$128.00
1	<b>Cloud Infrastructure Server 1 proc base</b> Cloud Infrastructure Server Base Config 1 Processor 1GB Ram 200 GB Hard Drive Windows Server 2016 Licensing	\$88.00	\$88.00
56	<b>Cloud RAM Per Month (GB)</b> Additional Cloud - Ram per GB	\$9.00	\$504.00
800	<b>Cloud Storage Per Month: (GB)</b> Additional Cloud Storage (GB) per month	\$0.12	\$96.00

1	<b>Cloud Firewall with Total Security Per Month</b> Dedicated Cloud Firewall and Virtual Machine Total Security Suite Intrusion Prevention Service (IPS) App Control WebBlocker spamBlocker Gateway AntiVirus Reputation Enabled Defense (RED) Network Discovery APT Blocker Data Loss Protection (DLP) Threat Detection & Response DNSWatch Access Portal IntelligentAV Dimension Command WatchGuard Cloud Visibility Data Retention	\$230.00	\$230.00
30	<b>Bandwidth (MB)</b> Cloud - Bandwidth (MB)	\$5.00	\$150.00
3	<b>Microsoft RDS CALs</b> Microsoft RDS CALs	\$6.50	\$19.50
10	<b>SPLA SQL Server License per User</b> SPLA SQL Server License per User	\$8.41	\$84.10
1	<b>Per TB Charge for Cloud Backup Service</b> -Based on maximum used TB in a given month -Local storage of data securely replicated to our data centers -Matching mirrored and retention schedules -Sync of data from local to cloud	\$60.00	\$60.00
1	<b>Server Migration to BlackPoint Cloud</b> -Backup of existing server and data -Verify and test backup -Migrate operating system and data to new BlackPoint Cloud -Test migrated data, verify migration completed - Reconfigure DHCP on firewall - Reconfigure shared Printers to print directly -End user validation testing -Project management and documentation -Go live support -BlackPoint 30 day workmanship guarantee	\$599.00	\$599.00
10	<b>Consultant hours</b> Consultant Labor Hours	\$175.00	\$1,750.00
<b>TOTAL (ONE TIME)</b>			\$3,937.60
<b>MONTHLY COMMITMENT</b>			\$1,588.60



# IT Managed Services Solution Proposal

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*Prepared for:*

**Rob Daykin  
City of Dundee  
23310 FulQuartz Landing  
Dundee, OR 97115  
United States**

*Prepared by:*

**Bryon Bailey  
BlackPoint IT Services  
9700 SW Capitol Hwy  
Suite 100  
Portland, OR 97219  
2/20/2020**

*Date Prepared:*

[blackpoint-it.com](http://blackpoint-it.com)

**BLACKPOINT**  
IT Services

## **Benefits of Managed IT Services**

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### **Control IT Costs**

Outsourcing converts fixed IT costs into variable costs and allows you budget effectively. In other words, only pay for what you use when you need it.

### **Reduce Labor and Recruiting Costs**

Hiring and training an IT staff can be very expensive, and temporary employees don't always live up to your expectations. Outsourcing lets you focus your human resources where you need them most.

### **Trained, Experienced, Qualified, Certified**

If you're not IT trained, how do you assure an employee is qualified? Certifications like Microsoft Certified Systems Engineer (MCSE) are important, but so is experience.

### **Qualified doesn't Equal Experienced**

Few problems are new for leading IT service companies, which see related problems multiple times. An in-house IT employee leads an isolated existence no matter how much they train. We'd all rather an experienced doctor; the same is true for IT.

### **Increase Efficiency and Competitiveness**

Organizations that try to do all IT Services in-house themselves can have much higher research, development, and implementation time, all of which increase costs and are ultimately passed on to clients.

### **Quickly Implement New Technology**

Handling projects in-house might involve weeks or months to hire the right people, train them, and provide the support they need. Quality IT companies will bring years of experience in the beginning saving time and money.

### **Stay Focused on Your Core Business**

Businesses have limited resources, and every manager has limited time and attention. Outsourcing can help your business stay focused on your core business and not get distracted by complex IT decisions.

### **Reduce Risk**

Outsourcing providers assume and manage much of this risk for you, with specific industry knowledge, especially security and compliance issues. They generally are much better at deciding how to avoid risk in their areas of expertise.

### **Level the Playing Field**

Outsourcing can help small companies act "big" by giving them access to the similar technology, and expertise that large companies enjoy. An independent third-party managed cost structure and economy of scale can give your company a competitive advantage.

### **Compliance and Security**

By outsourcing a qualified Managed Services company who is familiar with security and compliance standards you can rest assured that your company is minimizing the risks associated with being hacked, ransomware, credit cards, sensitive competitive information and more.

### **Strategic Reviews**

You review your business strategically; you need to do the same with your IT. A good managed services provider will actively work with you to strategize your IT budget, plan projects in advance, and proactively manage instead of firefighting.

## Solution Summary

QTY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	<b>Base Contract</b> Quarterly/Semi-Annual Strategic Business Reviews Automation tools Account administration Primary business location	\$600.00	\$600.00
2	<b>Additional Location Charge</b> Covers firewall, switching, ISP, network coverage for additional locations.	\$30.00	\$60.00
10	<b>Per User: Managed Office User</b> Usage for office users who daily use the full office suite, email, and line of business systems Patch management Monitoring Desktop optimization Asset reporting Unlimited service desk remediation access	\$65.00	\$650.00
8	<b>Per User: Managed Light User</b> Usage for light users who primarily use tablets or light systems to cloud applications Patch management Monitoring Desktop optimization Asset reporting Unlimited service desk remediation access	\$30.00	\$240.00
3	<b>Per Server: Managed Server</b> Unlimited remediation for on site server Patching Monitoring Server optimization Asset reporting	\$275.00	\$825.00
1	<b>Onsite Cloud Backup Device 2VMs</b> Onsite Backup Device for Local and Direct to Cloud File Backup Service Secure Windows system file backup Fully managed backup, cloud synchronization and recovery services with 24/7 monitoring and remediation Onsite Virtualization capacity for up to 2VMs.  *Must be paired with per TB charge for storage.	\$200.00	\$200.00

1	<b>Per TB Charge for Cloud Backup Service</b> Per Terabyte Storage (Cloud and Local) Local storage of data securely replicated to our Data Centers Local and Cloud storage matching mirrored and retention schedules	\$60.00	\$60.00
16	<b>Per Server/Desktop Advanced Security</b> Advanced malware detection Inclusive remediation (virus, malware and ransomware) Darkweb monitoring and alerting Annual security audits Security policy monitoring	\$12.00	\$192.00
	<b>The current monthly invoice of for Antivirus and Backup will be eliminated, as well as any future cost of helpdesk support, as all these are covered under this new agreement</b>		

SUBTOTAL	\$2,827.00
SALES TAX	TBD
TOTAL (ONE TIME)	\$2,827.00
MONTHLY COMMITMENT	\$2,827.00

**City of Dundee  
City Council Meeting Minutes  
June 16, 2020**

**Call to Order**

Due to Mayor Russ experiencing technical difficulties, Council President Tim Weaver called the meeting to order at 7:00 P.M. over ZOOM teleconferencing meeting platform.

**Council and Staff Attendance**

Attendance Via Zoom: Mayor David Russ; Councilors Tim Weaver, Storr Nelson, Kristen Svcarovich, Ted Crawford and Jeannette Adlong. Absent: Councilor Patrick Kelly. Staff Attendance via Zoom: Rob Daykin, City Administrator; Bill Monahan, City Attorney; Amy Hanifan, Interim Fire Chief; Chuck Simpson, Public Works Superintendent; and Melissa Lemen, Administrative Assistant.

**Public Attendance**

Attendance Via Zoom: Gary Eastlund, CIC ARM CRM, Risk Management Consultant, Hagan Hamilton; and Lael Alderman, PE, Principal Engineer, MurraySmith.

**Agenda Changes**

Agenda Item 7.3 Utility Accounts - Shut off Process was added to New Business.

**Public Comment**

None.

**Presentation: Gary Eastlund, Hagan Hamilton – Insurance Renewal**

Gary Eastlund, CIC ARM CRM, Risk Management Consultant, Hagan Hamilton, introduced himself and began his presentation. He reviewed the Insurance Programs Stewardship Report as provided on page 1 of the meeting agenda packet. Eastlund pointed out that the proposed annual contribution for the CIS property and liability coverage in the amount of \$52, 936 is very favorable and includes some increases in coverage as well. He discussed that the workers' compensation renewal has increased significantly from last year largely due to one claim that drove the experience modification factor up significantly and elevated the City of Dundee into the highest rate tier. He discussed that the initial quote received from CIS was \$56,817 though they later agreed to drop it down to the next lower tier which brought it down to \$50,862.

C. Nelson inquired about whether there are any other workers' compensation agencies which could be used. Eastlund explained that the City does have other options and is not required to have workers' compensation insurance with CIS. He discussed that an application has been submitted to SAIF, which would be the best alternative. Though SAIF has indicated that they are considering the application, Eastlund explained that he has not yet received a positive quote. He explained that he will continue to pursue that and if it does turn out to be an option, he will review the information with C.A. Daykin. It was noted that the City would need to make a decision about accepting the quote from CIS by the end of June. Eastlund explained that if the workers' compensation is removed from the CIS package, a package discount of approximately 7-8% will be lost, though if enough money were saved it could make up for that loss. Eastlund discussed the potential impacts to the modification factor moving forward resulting from the loss seen to this point. It was noted that SAIF uses the same experience modification factors as well. Discussion ensued.

C. Crawford inquired about whether one specific claim alone is responsible for the increased renewal. Eastlund briefly reviewed some of the impacting factors though noted he will need to complete additional research. C. Crawford inquired about whether the City has been satisfied with services provided by CIS. Regarding the liability insurance, C.A. Daykin explained that the City was a bit dismayed that CIS was not more proactive in assisting the City of Dundee in certain aspects of the recent tort claim investigation process. Eastlund noted that this is the first he's heard of a concern of this nature and explained that he is an advocate for the City in this regard. He offered to research and find out the status as well as trigger more action if indicated. C.A. Daykin will reach out to him tomorrow. Discussion ensued. Eastlund explained that if a favorable quote is received from SAIF, he will review it entirely to determine what the true savings would be. Council expressed interest in obtaining workers' compensation coverage from SAIF if the quote results in savings to the City. C.A. Daykin shared that in his opinion an overall reduction of 10% or greater would make changing to SAIF worth pursuing.

### **Consent Agenda**

A motion was made and seconded to approve Consent Agenda Item 5.1 City Council Minutes, June 2, 2020, and Item 5.2 Financial Report ending May 31, 2020. C. Crawford noted that revenues still appear good for water and sewer without a substantial drop off as a result of the pandemic. C.A. Daykin discussed that the sewer revenue is definitely lower; the water may be more seasonally adjusted though is probably down some as well. Brief discussion ensued. The motion passed unanimously.

### **Old Business**

#### **Water Treatment Plant Study – Lael Alderman, MurraySmith**

Lael Alderman, P.E., Principal Engineer, MurraySmith, provided an overview of their technical memorandum beginning on page 35 of the meeting agenda packet. He reviewed that the City's current ground water supply is not sufficient to accommodate the full development within the UGB. Alderman discussed the pros and cons of the river intake and Ranney collector systems. Though a desktop study provided by a geologist found there to be four potential sites which appear favorable for construction of a Ranney collector well, Alderman explained that in his experience it would cost an additional \$75,000-\$100,000 to hire them to do the explorations that are needed to provide information which would allow the City to feel confident about pursuing these options.

M. Russ discussed that the City completed some test wells with the Ranney collector previously; he inquired about whether the new locations are that significantly different that they would work. Alderman discussed that from what he saw there was not a significant difference; he felt that the closer to the river and the band of where Fulquartz Landing takes a bend to the south by the river and up to the City of Newberg city limits seems fairly favorable. Alderman also pointed out that another potential benefit to the Ranney collector system is that the existing point of diversion would likely not need to be relocated. With regard to intake, M. Russ inquired about the fact that while the City has the right for 2.5 million gallons, the report from MurraySmith references 2 million gallons; would it be that much different for the river intake to add that capacity? Alderman discussed that if the City desired to take advantage of their full water right, it would likely incrementally only be another 10% in cost. M. Russ voiced support of utilizing the water right to the fullest.

C. Crawford inquired about whether additional costs for piping were calculated with regard to the river intake if it were located outside of the City limits. Alderman discussed this in detail and referenced Table 6 on page 48.

C. Nelson voiced support of utilizing the maximum water right of 2.5 million if this option is pursued. With regard to the location of the intake structure, C. Nelson inquired about whether there would be additional design required for placement in the active part of the main channel. Alderman discussed that the erosional difference shouldn't be that much different in this part of the river; there are extremely high flows which are historically experienced and in his opinion placing it out of the side channel provides opportunities to place the intake structure deeper in the river and potentially be subject to less variable flows.

C.A. Daykin pointed out that one of the rationales for locating the water treatment plant intake south of the city limits at the Fulquartz Road location is that if the City were going alone, the strategy would be to have the plant close to the intake structure to minimize the amount of piping for the treated water bringing it back to the city as it would be connected to new development that would come out to the plant. It was noted that the Fulquartz site is labeled as Site A on page 42. C. Nelson inquired about whether the development would be able to contribute to the piping from the water treatment plant to the development if Site A or Site B were utilized. C.A. Daykin discussed that this could be financed or developed in different ways, though if Site A or Site B were utilized, it could potentially be triangulated back to the bend in Fulquartz Road. Discussion ensued and C.A. Daykin pointed out that though making the connection from the water plant to the water treatment plant probably would not be a requirement of the developer, and those costs would be captured through SDCs.

C. Svicarovich asked for clarification with regard to the discussed water treatment plant and infrastructure and whether it would only be used for the new development at this point in time. She reviewed that the present City is being served by ground water and noted that this would be surface water. She inquired about whether the intent is to eventually convert everything over to surface water, as her impression has always been that the two types are not mixed. C.A. Daykin discussed that per the Water Master Plan, the concept was that the City would still maintain the groundwater wells for zones that are defined as the low pressure zone up through just east of Highway 99W; at some point east of Highway 99W or at Highway 99W the City would create a new Riverside pressure zone which would be fed by the river source. Though the two systems would be isolated there would still be the opportunity to move water from one zone to the other if there is a need to do so. In addition, Alderman discussed that if they did size the intake to the full 2.5 million this would be sufficient to supply the whole city if that were desired. He also noted that what they find in some of the communities that they have worked with is that though there is the intention of keeping separate systems, eventually they switch over to the water treatment plant source. He noted that two different pressure zones do provide the ultimate flexibility and noted that facilities can be built which can share that water, though it is not recommended that those two sources be blended.

C. Nelson inquired about whether there is any merit to having the water treatment plant more centrally located, perhaps near the WWTP, so that it can service both the Lindquist property and the Edwards property. C.A. Daykin discussed that while this is possible, a price would be paid for that privilege as the raw water line would need to be extended at a substantial cost. Discussion ensued.

Though it was noted that the City does not own the property to the south of the WWTP, M. Russ discussed some of the potential benefits of locating the facilities closer together. C.A. Daykin discussed previous consideration given to this option in the past. It was noted that the appendix information (attachments) for the Water Treatment Plant Study report are available on the City website.

### **Yamhill County Sale of Property to Dundee**

C.A. Daykin discussed that the County prepared a deed for the sale of the property; they accepted the City's bid. **A motion** was made and seconded to authorize the City Administrator to purchase Tax Lot R3325BC 03500 on behalf of the City of Dundee per the terms outlined in the June 6, 2020 letter from Yamhill County. **The motion** passed unanimously.

### **City Administrator Salary**

C.A. Daykin discussed that the amendment was prepared by the paralegal for C. Atty Tim Ramis; he reviewed it and it reflects discussions at a prior City Council meeting regarding an increase in compensation and vacation hours effective July 1, 2020. **A motion** was made and seconded to approve the Seventh Amended Employment Agreement between the City of Dundee and City Administrator Rob Day. **The motion** passed unanimously.

### **Resolution No. 2020-09, Budget Adoption**

C.A. Daykin reviewed that the Budget Hearing was held on June 16, 2020 and there was no input that was received from the general public. **A motion** was made and seconded to adopt Resolution No. 2020-09, a resolution adopting the 2020-2021 Fiscal Year Budget, appropriating funds and levying property taxes for the fiscal year 2020-2021. **The motion** passed unanimously.

## **New Business**

### **Resolution No. 2020-10, Budget Transfers**

C.A. Daykin provided a correction on page 92 of the agenda packet. He requested that the information under Water Fund be changed to reflect a decrease in Materials & Services to \$3,000 (instead of \$4,000) and an increase to the Transfer to General Fund to \$2,000 (instead of \$1,000). He explained that this will ensure that he has sufficient appropriation to transfer money based on higher than expected revenue returns on the Water Fund than he originally forecasted. **A motion** was made and seconded to pass Resolution No. 2020-10, a resolution transferring budget line item amounts within a fund or between funds for fiscal year 2019-2020 with the changes made to the Water Fund (increasing the transfer to general fund to \$2000 and decreasing the Materials & Services Internal Admin Charge to \$3,000). **The motion** passed unanimously.

### **Resolution No. 2020-11, Employee Handbook Amendment**

C.A. Daykin reviewed details of the proposed amendment to the handbook, as discussed in his agenda report on page 93. Interim Fire Chief Amy Hanifan was in attendance to provide any clarification or answer questions as well. C.A. Daykin explained the policy clarifies if firefighters are not permitted to leave the premises during their meal break, then that time will be compensated. Also, the amendment allows for an alternate overtime rule permitted by State law for departments with fewer than four paid firefighters. Additionally, with true callback time events, what has been being done under the current rules is that only the actual time that fire fighters are performing is being recorded; moving forward the fire fighters who are called back after a shift will receive a minimum of 2 hours of pay, as is similarly provided to Public Works Staff after hours. C.A. Daykin offered clarification that the net change to the budget will be approximately \$8,349 more than has been budgeted. He also discussed that the proposed change of the one-hour meal break to 30 minutes will reduce the firefighter staff from a 9-hour workday to an 8.5-hour workday which will create operational challenges. C.A. Daykin explained that if it were brought back to a full 9-hour (30 minutes of paid time and 8.5 hours paid shift) shift for three firefighters there would be an increase in the cost overbudget of \$20,149. Hanifan reviewed the current schedule for the fire department employees and indicated that they are typically at the station for a 9-hour shift. She discussed that the volunteers are very active in the evenings and on weekends, though unfortunately there is an approximate 12-hour time period during the day between about 6:00 am until about 6:00 pm when there are not enough volunteers in town to staff

an engine. Hanifan discussed that presently the fire department staff start at tiered start times throughout the day to try to help bridge that gap; in her time at the station she has also tried to bridge that gap both in the morning and the evening. Discussion ensued and she explained that if fire department staff are not present during the difficult to staff times Dundee would have a difficult time being able to respond to an emergency appropriately.

C. Nelson inquired about the average call back times for public works and fire department staff. C.A. Daykin explained that upon quick analysis his estimate for the actual hours paid to fire department staff (with the 2-hour minimum applied) would double the number of paid hours in a typical year. Though, C.A. Daykin indicated that he cannot provide actual data for public works at this time, it is his belief that their callbacks are less frequent.

Chief Hanifan explained that one of their staff members does operate in an duty officer role and helps to cover nights and weekends in a leadership role. She discussed that the other two staff members really wouldn't be responding back unless it's something like a larger alarm or perhaps a second alarm fire and they were close; sometimes there are also late calls which could cause them to stay a little later and fall into the callback situation as well. C. Weaver inquired about whether a 2-hour callback allowance is adequate to which Chief Hanifan voiced support of and noted to be consistent with the other agencies in the county. **A motion** was made and seconded to adopt Resolution No. 2020-011, a resolution amending the Employee Handbook. **The motion** passed unanimously.

C.A. Daykin raised the topic about City Council making a future decision about contributing \$400,000 or \$300,000 into the PERS EIS. There will be future discussion and he inquired about whether the City Council would like to include in that discussion potentially increasing some sort of revenue stream to support the Fire Department to get back to a full 9-hour shift for the Department employees. Support was voiced for future discussion.

C. Nelson requested a COVID-19 update for Yamhill County. Chief Hanifan discussed that though she does not have the true numbers as of today, she explained that the Department is still in full swing of wearing PPE and of being very cautious of their social distancing. She discussed that the firefighters are back to training in person though are also being cautious. She discussed that Union County has seen quite a spike in cases over the past couple of days and stressed the importance of continuing to use safe practices locally. Chief Hanifan discussed that Phase 2 seems to be going well so far. C. Svicarovich inquired about whether the Department will be responding to summer wildland fires this season given the current pandemic. Chief Hanifan discussed that there is a good potential for this to occur as there are 4-5 firefighters that are prepared to be able to respond. Discussion ensued and Chief Hanifan explained that the State is approaching this season cautiously.

#### **Utility Accounts – Shutoff Process**

C.A. Daykin discussed that Melody Osborne prepared 39 payment agreements for utility customers who were 2+ months behind on their bill; these were sent out in the form of a letter advising them that their account had been placed on a payment plan (terms provided). He explained that thus far this approach seems to be working well for these 39 customer accounts. In addition, he explained that there are 25 accounts which would be scheduled for a 24-hour door hanger notice. C.A. Daykin discussed that there is an extra week in this month which provides additional flexibility. He reviewed some potential options with Council and discussion ensued. C. Svicarovich discussed that the Regional Water Providers Consortium in the metro area is still under a no shut off policy which she also voiced support of as well. The consensus of Council was to move forward with placing doorhanger notices without charging a fee; customers could

then contact City Staff to discuss payment arrangements. For those that do not respond to the door hanger, Staff will make additional contact attempts.

C. Svicarovich inquired about the financial impacts to the City with regard to not collecting the utility billing fees which are being waived. C.A. Daykin explained that other than the delayed collection of revenue that's due to the City, the big concern is that there may be a large amount of money due by a particular customer and somehow there's a change in ownership status (of the account) and the City has not already taken measures to shut the water off, and then a new customer has come in. The only way for the City to move forward with these accounts is to seek it through collections effort. C.A. Daykin offered to provide information to Council which shows what would have been expected in revenue and what was actually received.

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

C. Crawford inquired about whether Council members have the option of attending the Planning Commission meeting tomorrow night though C.A. Daykin suggested they not attend nor engage in discussion with those who may wish to; there is the possibility that the decision could be appealed to the City Council. Brief discussion ensued and C. Atty Monahan provided additional guidance about potential ex parte contact.

### **Mayor's Report**

M. Russ briefly discussed that he received a letter from a concerned resident who voiced their support of the Newberg-Dundee police department and did not support any type of defunding in any way.

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

C.A. Daykin reviewed that during the budget process someone raised the question regarding the status of the City loans and whether or not they could be refunded. He explained that he approached a public financing firm (Piper Sandler) and discussed this with them; he provided them with copies of City loan documents. C.A. Daykin explained that of all of the loans they indicated that the only one viable from their perspective is the refunding of the loan with DEQ for the WWTP; though they also encouraged that a better rate may be provided by DEQ than the traditional public refunding type of process. Discussion ensued and C.A. Daykin explained that he did contact DEQ and ultimately there may be some possibilities though he is awaiting a call back to confirm that. Detailed discussion ensued regarding the lengthy process this may entail, though the extremely low rates are very appealing. C.A. Daykin will provide information to Council as it becomes available.

C.A. Daykin discussed that he received notification yesterday by the Oregon Transportation Infrastructure Fund that the final draw on the loan for the 2013 loan for the ODOT Bypass Project took place; the City has now dispersed all of the funds from that original loan and the City will begin to pay interest on that additional installment moving forward.

C.A. Daykin discussed that with regard to the Fire Study, the consultants are requesting that all of the agencies be represented at a meeting to be conducted on July 1 to go through some of the draft findings and solicit additional input. He indicated that he will be attending that and instead of Interim Chief Amy Hanifan attending, he has asked Councilor Weaver to attend; they will report back to City Council. C.A. Daykin explained that once the study is wrapped up, there will be an opportunity for a full reporting back to the elected officials.

C.A. Daykin voiced that he is not aware of any City conducting seated meetings at this point in time. M. Russ voiced support of the present format though indicated he would like to resume the traditional meeting process as soon as it is feasible. The consensus of Council was to continue

with Zoom meetings for the time being. M. Russ voiced support of police presence at future seated City Council meetings which C. Weaver indicated support of as well.

Chuck Simpson, Public Works Superintendent, explained that they will finally receive their new pick-up truck tomorrow. He also discussed that one of the fire department volunteers was hired as a seasonal public works employee for the summer.

The meeting was adjourned at 8:29 P.M.

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David Russ, Mayor

Attest:

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Rob Daykin, City Administrator/Recorder



memo



CITY of  
**DUNDEE**  
Oregon

To: City Council  
From: PW Superintendent Simpson  
CC: Rob Daykin  
Date: 7/1/2020  
Re: PW Quarterly Report

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Comments: Notable activities in the second quarter of 2020.

COVID-19 staying away from each other is difficult at times, but we`re doing our best.

Meter repairs:

Ongoing, with issues found, correcting has been an issue as COVID has delayed manufacturing and shipping of replacement parts.

Repaired a leak on Walnut Ave.

Steel dip and wrap pipe had a small hole next to a coupling so we had to remove the coupling and place a full circle repair band over entire section.

Vegetation! Vegetation! Vegetation!

3 inches of rain and a warm month of June led to us getting behind a bit on maintaining our vegetation (I could actually watch it grow!) but at the end of the month it dried out we are getting caught up again.

Well #7: Pump, motor, level transducer and piping have been replaced and isn` t quite in service, we are waiting to have the level transducer wired in as well as other work to be performed later in July.

Water reservoirs were all inspected and cleaned, divers went in and vacuum the sediment from the floor of the tanks and inspected.

- Vineyard reservoir:

Had damage that was repaired on the inside where the protective coating had peeled off, damage allegedly caused by golf balls being hit off of the tank from the old Erath house and plenty of golf balls found outside near the tank base. Notes were made on the security and safety of the site as to the ladder cage that needs to be removed and we installed a fence around the tank per recommendations.



- Cemetery reservoir:

No issues found with the reservoir itself except for the ladder cage that needs to be removed.

- Upland reservoir:

No major issues found with the reservoir itself except for the security of the site and a tree that was too close to the tank wall, the roots had potential to crack the concrete wall and has been removed.

PW received our 2020 Ford F-150 purchased thru the state's procurement process, it was delayed due to COVID-19.



Hired a Dundee firefighter for our summer helper.

That`s it for now!

# AGENDA REPORT

To: Mayor Russ and City Council  
From: Rob Daykin, City Administrator  
Date: July 7, 2020  
Re: 2021 Small City Allotment (SCA) Grant Application

At the June 2 meeting, the City Council selected Myrtle Street as its preferred candidate for application to the 2021 SCA grant program. The City Engineer prepared an updated estimate of construction costs to facilitate discussion on the scope of work for this project. The estimate of \$258,209 includes the following project elements:

1. Resurfacing of Myrtle Street from Niederberger Road to just north of the intersection with Thirteenth Street.
2. Resurfacing of Thirteenth Street from the termination of last years street work located west of Myrtle Street to just east of Myrtle Street.
3. Replacement of the existing 4-foot wide sidewalk on Myrtle Street with a 5-foot wide sidewalk.
4. Replacement of driveway approaches with those that meet current ADA standards where the sidewalk work takes place.
5. Construction of 6 ADA sidewalk ramps, 4 at the intersection of Myrtle Street and Thirteenth Street and 2 near the intersection of Myrtle Street and Niederberger Road.<sup>1</sup>

Council discussed the possibility of forming a local improvement district (LID) to allocate a portion of the cost of the sidewalk improvements to the adjacent property owners. Since the neighborhood already has sidewalks (although narrower than the current standards) and since much of the sidewalk is in an acceptable condition, staff recommends if included in a LID the property owners are assessed 50% of the cost. This estimate assumes the new sidewalks will be separated from the curb, leaving about a 3-foot wide planting strip. This narrow planting strip will not be suitable for trees; but instead may be landscaped similar to the existing planting strip on the west side with grass turf, shrubs and flowers.<sup>2</sup> If the sidewalk is designed to be curb-tight, there will be some additional cost for the driveway ADA path route. Also, the City's standard width for a curb-tight sidewalk is 6 feet which will be a 20% increase in surface area.<sup>3</sup> Council may choose to stay with a five-foot curb tight sidewalk which would be compatible with the sidewalks in the area (Eleventh Street, Fir Court, Alder Street). In either case, a curb tight sidewalk would allow the possibility of street trees (located in the right of way) next to the sidewalk. These detailed design discussions will be better suited at a later

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<sup>1</sup> Construction of the ADA sidewalk ramps are a requirement of federal law and the ODOT SCA program.

<sup>2</sup> The City's water main is located under the west side planting strip and is currently void of street trees.

<sup>3</sup> Another cost with a curb tight sidewalk will be the relocation and upgrade of a mid-block street light currently placed in the east side planting strip.

date and should include an opportunity for the adjacent property owners to share their views with Council on this matter.

One of the reasons to include sidewalks in the SCA grant application is this safety improvement will add points in the scoring of the project. However, I believe the additional points will not materially affect the rating of the proposed project and will not be a significant factor in determining if the project is awarded grant funding. However, if used in the application and approved the City will be obligated to complete the sidewalk improvements. Staff is recommending that the construction of new sidewalks (and the related driveway approaches) in this one block of Myrtle Street be deferred until it is part of a greater sidewalk improvement project. The following table shows the source of funds for Myrtle Street improvements with and without the sidewalk related improvements:

<u>Source of Funds</u>	<u>With Sidewalks</u>	<u>W/O Sidewalks</u>
SCA Grant	\$100,000	\$100,000
Street CIP	89,109	40,417
LID Assessments	32,600	-0-
Stormwater CIP	<u>36,500</u>	<u>36,500</u>
Total Sources	\$258,209	\$176,917

The Street CIP Fund relies mostly on the transfer of excess State Highway Trust Fund revenues that are not expended in the Street Fund for annual maintenance and operations. Staff is concerned that the amount of State Highway Trust Fund revenues will be reduced significantly from the reduction in the economy due to the COVID-19 pandemic and recommends a more cautious approach in committing these funds with the SCA grant application. Council may revisit the possible inclusion of sidewalks with the Myrtle Street improvements following review of the Street CIP Fund status in April 2021.

City Engineer Greg Reid will be attending the July 7 meeting to address the proposed scope of work with Council. Following review of these issues, a resolution will be prepared for the July 21 meeting that authorizes application to the 2021 SCA grant program for the preferred project. The deadline for submitting the resolution and application materials to ODOT is July 31.

**SW Myrtle Street Improvements - South**  
**(Niederberger through half of 13th Street Intersection)**

Preliminary Estimate

Date: 7/1/2020

**SECTION 1 - SITE WORK**

Item	Description	Quantity	Units	Unit Price	Amount
1	Mobilization	1	LS	18,200.00	18,200.00
2	Pothole/Clearing/Grub/Demo/Surface Prep	1	LS	14,600.00	14,600.00
3	Temporary Work Zone Traffic Control, Comp	1	LS	5,500.00	5,500.00
4	Erosion Control, Complete	1	LS	1,800.00	1,800.00

**SECTION 2 - STREET IMPROVEMENTS**

Item	Description	Quantity	Units	Unit Price	Amount
5	Level 2, 1/2" Dense ACP Mixture	472	TON	\$75.00	\$35,429.84
6	Aggregate Base	1	LS	\$13,860.00	\$13,860.00
7	Extra for 3"-0 Stabilization in Place	101	TON	\$35.00	\$3,535.00
8	Grade & Compact Base	1	LS	\$6,500.00	\$6,500.00
9	Curb & Gutter	0	LF	\$25.00	\$0.00
10	4" Thk. Concrete Sidewalk (5' Wide)	4,760	SF	\$8.00	\$38,080.00
11	6" Thk. Concrete Driveways	1,990	SF	\$10.00	\$19,899.00
12	Concrete Sidewalk Ramps	900	SF	\$25.00	\$22,500.00
13	Extra for Truncated Dome Texturing	6	EA	\$500.00	\$3,000.00
14	Landscaping	2,856	SF	\$2.50	\$7,140.00
15	Minor Adjustment of Manholes & Valves	9	EA	\$750.00	\$6,750.00

**SECTION 3 - STORM DRAINAGE**

Item	Description	Quantity	Units	Unit Price	Amount
16	12" Storm Main	135	LF	\$80.00	\$10,800.00
17	G-2 Inlet	6	EA	\$2,500.00	\$15,000.00
<b>Total</b>					<b>\$222,593.84</b>

Engineering and PM	6%	\$13,355.63
Construction Contingency	10%	\$22,259.38
<b>Total:</b>		<b>\$258,208.86</b>

<b>Potential LID Costs:</b>	<b>50%</b>
Sidewalks	\$19,040.00
Driveways	\$9,949.50
Landscaping	\$3,570.00

**LIDTotal:** \$32,559.50

**# of Properties:** 14

**Cost per Property:** \$2,325.68

**Optional Items:**

1. Curb and Gutter	897	LF	\$25.00	\$22,427.50
2. Existing ACP on 13th:				
Level 2, 1/2" Dense ACP Mixture	71	TON	\$75.00	\$5,328.75
Aggregate Base	1	LS	\$2,084.58	\$2,084.58
Grade & Compact Base	1	LS	\$977.62	\$977.62
<b>Total Existing ACP on 13th</b>				<b>\$8,390.95</b>
3. Street Trees	24	EA	\$650.00	\$15,600.00



# AGENDA REPORT

To: Mayor Russ and City Council  
 From: Rob Daykin, City Administrator  
 Date: July 7, 2020  
 Re: PERS Side Account

Attached is the actuarial calculation from Milliman showing the City's PERS rate offset of 5.31% based on a \$400,000 contribution from the City to a side account that is matched 25% in the amount of \$100,000 from the Employer Incentive Fund (EIF). It is close to the amount estimated for the FY 2020-21 budget. Council also authorized an actuarial calculation of a lesser amount due to concerns to the impact the one-time transfer has to the General Fund. The alternate amount is based on a \$300,000 contribution from the City with a \$75,000 EIF match, for a combined side account balance of \$375,000. The rate offset for the \$375,000 side account was calculated at 3.98%. The chart below shows the relative Side Account contribution amounts, estimated annual PERS expense, and estimated savings due to the offset rate for both options.

	\$500,000 Side Account - 5.31% Offset			\$375,000 Side Account - 3.98% Offset		
	Budget Transfer	Estimated PERS	Estimated Savings	Revised Transfer	Estimated PERS	Estimated Savings
<b>General Fund:</b>						
Admin/Finance	101,500	40,795	9,806	75,500	43,251	7,350
Municipal Court	5,700	2,465	554	4,300	2,604	415
Community Development	6,800	2,943	653	5,000	3,106	490
Fire Department	<u>125,700</u>	<u>55,104</u>	<u>12,468</u>	<u>96,000</u>	<u>58,227</u>	<u>9,345</u>
	239,700	101,307	23,481	180,800	107,188	17,600
Street Fund	12,500	4,959	1,205	9,300	5,261	903
Water Fund	71,800	26,980	6,936	53,400	28,717	5,199
Sewer Fund	66,800	23,943	6,450	49,700	25,558	4,835
Stormwater Fund	9,200	3,510	888	6,800	3,733	665
<b>Totals</b>	<b>400,000</b>	<b>160,699</b>	<b>38,960</b>	<b>300,000</b>	<b>170,457</b>	<b>29,202</b>

Reducing the Side Account contribution of \$400,000 to \$300,000 will result in a direct net gain of \$53,019 to the General Fund due to the reduction of \$58,900 being transferred to the Side Account and increased annual PERS cost of \$5,881 due to the lower offset rate. However, since the Street, Water, Sewer, and Stormwater funds contribute proportionately to the General Fund based on the allocation formula used for Administrative and Financial services, the \$53,019 direct savings will be reduced by about \$12,400.

The difference in the annual offset rate amounts between the \$500,000 and the \$375,000 initial balance in the side account is \$9,758. *Note: the offset rate will be recalculated every two years based on investment earnings (losses) of the side account over a 20-year period until fully used.* While it may be desirable to have the greater offset rate that is partially funded by the 25% EIF match, I strongly believe the prudent course of action is to proceed with the lesser Side Account contribution of \$300,000 in order buffer the declining fund balance in the General Fund.

The City is scheduled to make the Side Account payment on August 1, 2020. PERS requires at least three business days' notice prior to the transfer of the funds to the Side Account.

Recommendation: Council motion directing the city administrator to make payment of \$300,000 to a PERS Side Account established for the City of Dundee effective August 1, 2020.

**Rob Daykin**

**From:** Side Account Legislation <Side.Account.Legislation@pers.state.or.us>  
**Sent:** Friday, June 26, 2020 8:41 AM  
**To:** Rob Daykin  
**Subject:** PERS EIF Actuarial Calculation  
**Attachments:** Lump Sum Payment Considerations.pdf; 2020\_EmployerEIF\_letter.pdf; CityofDundee\_Agreement.pdf

Good Morning Rob-

Below are your actuarial calculations from Milliman—with a \$500,000 side account (including EIF Match) your rate offset would be **-5.31%**, with a \$375,000 side account (including EIF match) your rate offset would be **-3.98%**. I've attached the countersigned contract, an explanation of how Milliman develops their rates as well as general considerations for lump sum payments. Should you decide to pursue one of these payment options I will need a minimum of **3 business days notice**, we can accept payments via check, wire or through a Local Government Investment Pool transfer. We will deposit your EIF match on the same date that we receive your payment. Once the PERS cashier reconciles your payment, I will add your side account rate offset and send you a confirmation via email, your billing will update within 24 hours.

<b>Oregon Public Employees Retirement System</b>			
<b>Supplemental Lump Sum Payment</b>			
<b>Employer Number 2245 City of Dundee</b>			
<b>The employer should refer to the Milliman letter dated January 15, 2020 for details related to these calculations.</b>			
<b>Reduction in Employer Rate Effective August 1, 2020</b>			
<b>with 20 year amortization period</b>			
	100% of Tier 1/Tier 2 UAL	Minimum	Alternate
Supplemental Payment Amount	\$1,332,862	\$25,000	\$400,000
Side Account Before EIF Match	\$1,332,862	\$25,000	\$400,000
Side Account Established (Including EIF Match)	\$1,632,862	\$31,250	\$500,000
<b>Scheduled Employer 2019-2021 Tier 1/Tier 2 UAL Rate</b>			
Transition Liability/(Surplus) Rate <sup>1</sup>	(3.03%)	(3.03%)	(3.03%)
Existing Side Account Rate Offset	0.00%	0.00%	0.00%
<b>Revised Employer 2019-2021 Tier 1/Tier 2 UAL Rate</b>			
Transition Liability/(Surplus) Rate <sup>1</sup>	(3.03%)	(3.03%)	(3.03%)
Existing Side Account Rate Offset	0.00%	0.00%	0.00%
Rate Offset from New Side Account	(17.34%)	(0.33%)	(5.31%)
<b>Total Prospective 2019-2021 Rate Reduction</b>	<b>(17.34%)</b>	<b>(0.33%)</b>	<b>(5.31%)</b>
<b>Estimated Amount</b>			
<b>(prior to supplemental payment)</b>			
<b>August 1, 2020</b>			
Tier 1/Tier 2 UAL (Excluding Effects Below)	\$1,457,858		
Existing Side Account Balance	\$0		

Transition Liability / (Surplus) <sup>1</sup>				(\$124,996)
100% of Net Allocated Tier 1/Tier 2 UAL				\$1,332,862
Annual Combined Projected (Prospective) Payroll				\$678,595
<sup>1</sup> Only applicable for employers in SLGRP				
<p><i>This work product was prepared solely for City of Dundee and Oregon PERS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.</i></p>				
<b>Oregon Public Employees Retirement System</b> <b>Supplemental Lump Sum Payment</b> <b>Employer Number 2245 City of Dundee</b>				
<b>The employer should refer to the Milliman letter dated January 15, 2020 for details related to these calculations.</b>				
<b>Reduction in Employer Rate Effective August 1, 2020</b> <b>with 20 year amortization period</b>				
		100% of Tier 1/Tier 2 UAL	Minimum	Alternate
Supplemental Payment Amount		\$1,332,862	\$25,000	\$300,000
Side Account Before EIF Match		\$1,332,862	\$25,000	\$300,000
Side Account Established (Including EIF Match)		\$1,632,862	\$31,250	\$375,000
<b>Scheduled Employer 2019-2021 Tier 1/Tier 2 UAL Rate</b>				
Transition Liability/(Surplus) Rate <sup>1</sup>		(3.03%)	(3.03%)	(3.03%)
Existing Side Account Rate Offset		0.00%	0.00%	0.00%
<b>Revised Employer 2019-2021 Tier 1/Tier 2 UAL Rate</b>				
Transition Liability/(Surplus) Rate <sup>1</sup>		(3.03%)	(3.03%)	(3.03%)
Existing Side Account Rate Offset		0.00%	0.00%	0.00%
Rate Offset from New Side Account		(17.34%)	(0.33%)	(3.98%)
<b>Total Prospective 2019-2021 Rate Reduction</b>		<b>(17.34%)</b>	<b>(0.33%)</b>	<b>(3.98%)</b>
<b>Estimated Amount</b> <b>(prior to supplemental payment)</b>				
<hr/> <b>August 1, 2020</b>				
Tier 1/Tier 2 UAL (Excluding Effects Below)				\$1,457,858
Existing Side Account Balance				\$0
Transition Liability / (Surplus) <sup>1</sup>				(\$124,996)
100% of Net Allocated Tier 1/Tier 2 UAL				\$1,332,862
Annual Combined Projected (Prospective) Payroll				\$678,595
<sup>1</sup> Only applicable for employers in SLGRP				
<p><i>This work product was prepared solely for City of Dundee and Oregon PERS for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.</i></p>				

# AGENDA REPORT

To: Mayor Russ and City Council  
From: Rob Daykin, City Administrator  
Date: July 7, 2020  
Re: CWSRF Loan Amendment

Following discussions with DEQ representatives regarding restructuring the City's Clean Water State Revolving Fund (CWSRF) loan, a very favorable proposal was presented to the City to amend the loan from a system revenue secured debt to a full faith and credit instrument. The full faith and credit basis is the same used for all of the other loans that the City has with US Bank, Key Bank and the State of Oregon Transportation Infrastructure Bank. The City will still use sewer system revenue to repay the annual debt service; but is obligated to use any legal asset of the City that may be required to repay the loans. In exchange for going to a full faith and credit security, the debt service covenants requiring 105% debt coverage and a restricted loan reserve account are eliminated. The 105% debt coverage is normally not a problem, except in years that the biosolids are removed. The biosolids removal is such a large expense and since it is not annual, the year it takes place will cause a reduction in net income below the 105% over the annual debt service. The auditor will note the violation to the terms of the loan agreement, although DEQ is not concerned. However, the biggest advantage is the \$315,244 that the City currently has tied up for the loan reserve covenant may now be repurposed and used to finance WWTP system improvements, such as replacement of the MBR panels or screening enhancements.

Additionally, DEQ has offered to reduce the interest rate from 2.65% to 2.15% for the remaining 12 years of the term. There is still the .05% annual fee, but the overall change will still be better than can be obtained as a bank placement. Also, the annual debt service will reduce about \$20,000 which may also be set aside for other system improvements including I&I repairs. The DEQ proposal is represented in the attached repayment schedule. The overall savings with this loan modification is \$243,215. To move forward with the amendment, DEQ will need confirmation that the City accepts the proposal. An amendment to the loan will be prepared which will be brought back to Council for adoption by resolution.

Recommendation: Motion to authorize the city administrator to request DEQ to prepare an amendment to CWSRF loan no. R29650 waiving the loan reserve and reducing the interest rate.



OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY  
STATE REVOLVING FUND LOAN PROGRAM

**REPAYMENT SCHEDULE**

BORROWER:	Dundee	ANNUAL INTEREST RATE:	2.15%
SRF LOAN NO.:	R29650 SAMPLE	TERM IN YEARS:	12
LOAN AMOUNT:	\$ 6,774,273	PAYMENT AMOUNT:	\$ 310,457
		ANNUAL FEE:	0.50%

Due Date	Pmt#	----- PAYMENT -----				Principal Balance
		Principal	Interest	Fees	Total	
						6,774,273
11/1/2020	16	237,634	72,823	33,871	344,328	6,536,639
5/1/2021	17	240,188	70,269	0	310,457	6,296,451
11/1/2021	18	242,770	67,687	31,482	341,939	6,053,681
5/1/2022	19	245,380	65,077	0	310,457	5,808,301
11/1/2022	20	248,018	62,439	29,042	339,499	5,560,283
5/1/2023	21	250,684	59,773	0	310,457	5,309,599
11/1/2023	22	253,379	57,078	26,548	337,005	5,056,220
5/1/2024	23	256,103	54,354	0	310,457	4,800,117
11/1/2024	24	258,856	51,601	24,001	334,458	4,541,261
5/1/2025	25	261,638	48,819	0	310,457	4,279,623
11/1/2025	26	264,451	46,006	21,398	331,855	4,015,172
5/1/2026	27	267,294	43,163	0	310,457	3,747,878
11/1/2026	28	270,167	40,290	18,739	329,196	3,477,711
5/1/2027	29	273,072	37,385	0	310,457	3,204,639
11/1/2027	30	276,007	34,450	16,023	326,480	2,928,632
5/1/2028	31	278,974	31,483	0	310,457	2,649,658
11/1/2028	32	281,973	28,484	13,248	323,705	2,367,685
5/1/2029	33	285,004	25,453	0	310,457	2,082,681
11/1/2029	34	288,068	22,389	10,413	320,870	1,794,613
5/1/2030	35	291,165	19,292	0	310,457	1,503,448
11/1/2030	36	294,295	16,162	7,517	317,974	1,209,153
5/1/2031	37	297,459	12,998	0	310,457	911,694
11/1/2031	38	300,656	9,801	4,558	315,015	611,038
5/1/2032	39	303,888	6,569	0	310,457	307,150
11/1/2032	40	307,150	3,302	1,536	311,988	0
<b>TOTALS</b>		6,774,273	987,147	238,376	6,433,905	

**REQUIRED LOAN RESERVE:** \$ ~~315,244~~ 315,244 G.O. pledge waives loan reserve 6/30/2020

*If you have any questions, please call Kathy Estes at (503) 229-6814.*

TOTALS

<u>Original total loan repay schedu</u>	9,700,000	2,909,750	490,164	13,099,914
Paid prior to restructure	\$ 2,925,727	\$ 1,681,557	\$ 249,619	\$ 4,856,903
Current balance restructured	\$ 6,774,273	\$ 987,147	\$ 238,376	\$ 6,433,905
<b>total with restructure</b>	<b>\$ 9,700,000</b>	<b>\$ 2,668,704</b>	<b>\$ 487,995</b>	<b>\$ 12,856,699</b>
<b>SAVINGS</b>		<b>\$ 241,046</b>	<b>\$ 2,169</b>	<b>\$ 243,215</b>





June 5, 2020

Dear Chief Administrative Official:

For the past three months, seven policy committees have been working to identify and propose specific actions as part of the LOC's effort to develop a pro-active legislative agenda for the 2021 session. They have identified legislative objectives as set forth in the enclosed ballot and legislative recommendation materials. These objectives span a variety of issues and differ in the potential resources required to seek their achievement. Therefore, it is desirable to prioritize them in order to ensure that efforts are focused where they are most needed.

While the attached ballot reflects the top policies developed in each of the policy committees, each undertook a broad look at a range of issues impacting cities. Many issues reflect the LOC's ongoing mission to support cities' work and their home rule authority to develop and use a variety of tools to meet the needs of residents. Each city is being asked to review the recommendations of the policy committees and provide input to the LOC Board of Directors as it prepares to adopt the LOC's 2021 legislative agenda. After your city council has had the opportunity to review the proposals and discuss them with your staff, please return the enclosed ballot indicating the top four issues that your city council would like to see the LOC focus on during the 2021 session. **The deadline for response is August 7, 2020.** The board of directors will then review the results of this survey of member cities, along with the recommendations of the policy committees, and determine the LOC's 2021 legislative agenda.

Your city's participation and input will assist the board in creating a focused set of specific legislative targets that reflect the issues of greatest importance to cities. If you have individual questions about the ballot topics do not hesitate to reach out to committee members who serve on the seven policy committees. Thank you for your involvement, and thanks to those among you who gave many hours of time and expertise in developing these proposals.

Do not hesitate to contact me or Jim McCauley, Legislative Director, with additional questions.

Sincerely,

Mike Cully  
Executive Director

Jim McCauley  
Legislative Director

## INSTRUCTIONS

Each city should submit one form that reflects the consensus opinion of its city council on the **top four** legislative priorities for 2021. Here are the ways to submit your ballot. **Ballots in any form must be submitted by August 7, 2020.**

1. Fill out the online survey that has been sent to your city's chief administrative official; or
2. Fill out the attached hard copy form and return it to the LOC at the address or fax number provided below. Simply place an **X or check mark** in the space to the right of the city's top four legislative proposals. The top four do not need to be prioritized.

Return hard copy ballots to:

Jenna Jones  
League of Oregon Cities  
1201 Court St. NE, Suite 200  
Salem, OR 97301  
Fax – (503) 399-4863  
[jjones@orcities.org](mailto:jjones@orcities.org)

**Thank you for your participation.**

Please mark 4 boxes with an X or check mark that reflects the top 4 issues that your city recommends be added to the priorities for the LOC's 2021 legislative agenda.

City of: \_\_\_\_\_

**Legislation**

<b>A. Beer and Cider Tax Increase</b>	
<b>B. Broadband Infrastructure and Technical Assistance Funding</b>	
<b>C. Building (Reach) Code – Energy Efficiency Local Option</b>	
<b>D. COVID-19 Economic Recovery Investments</b>	
<b>E. Digital Equity and Inclusion</b>	
<b>F. Expedited Siting for Shelter and Affordable Housing</b>	
<b>G. Green Energy/Renewables – Expanded Local Option</b>	
<b>H. Housing and Services Investment</b>	
<b>I. Increased Budgetary Flexibility During Budgetary Emergency</b>	
<b>J. Infrastructure Financing and Resilience</b>	
<b>K. Local Climate Action Planning Resources</b>	
<b>L. Local Energy Generation Project Support</b>	
<b>M. Local Speed Setting Authority</b>	
<b>N. Long Term Transportation Infrastructure Funding</b>	
<b>O. Low-Income Energy Efficiency and Affordability Programs</b>	
<b>P. Marijuana Tax Local Rate Limitation Increase</b>	
<b>Q. Mental Health Service Delivery</b>	
<b>R. Municipal Broadband and Municipal Pole Protection</b>	
<b>S. New Mobility Services</b>	
<b>T. Photo Enforcement Safety Cameras</b>	
<b>U. Property Tax Reform</b>	
<b>V. Reducing Wastewater Impacts from Wipes and Other “Non-Flushables”</b>	
<b>W. Right-of-way/Franchise Fees Authority Preservation</b>	
<b>X. State Highway Funds Formula</b>	
<b>Y. Tort Liability Reform</b>	
<b>Z. Water Utility Rate and Fund Assistance</b>	

In addition to your ranking of the priorities shown above, please use this space to provide us with any comments (supportive or critical) you may have on these issues, or thoughts on issues or potential legislative initiatives that have been overlooked during the committee process.):



**You are reviewing the hard copy of the ballot. There are hyperlinks in the digital copy that may provide more background information. You can find the digital version with hyperlinks by going to this web address: [https://www.orcities.org/download\\_file/1038/0](https://www.orcities.org/download_file/1038/0). It is best opened in Google Chrome.**

#### **A. Beer and Cider Tax Increase**

**Legislation:**

The League proposes increasing the state taxes on beer and cider to assist with rising public safety costs, improve public health, reduce alcohol consumption by minors, and provide alcohol tax equity with wine and liquor.

**Background:**

Oregon's tax has not been increased since 1978 and is currently \$2.60 per barrel which equates to about 8 cents on a gallon of beer. The tax is by volume and not on the sales price, meaning the tax is less than 5 cents on a six-pack. Oregon has the lowest beer tax in the country, and to get to the middle of the states Oregon would need to raise the tax to \$30.00 per barrel or 54 cents per six pack (a more than 10-fold increase). Given recent challenges to the craft brewing industry tied to bar and restaurant closures it may be appropriate to delay or phase-in the increase. Cities are preempted from imposing alcohol taxes. In exchange, cities receive approximately 34% of the state alcohol revenues, but the state takes 50% of beer and wine taxes off the top prior to this distribution. Cities have significant public safety costs related to alcohol consumption, and the beer tax does not come close to covering its fair share of these costs.

*Presented by the Finance and Taxation Committee*

#### **B. Broadband Infrastructure and Technical Assistance Funding**

**Legislation:**

Seek additional state support and funding for increased broadband infrastructure deployment and technical assistance.

**Background:**

The deployment of broadband and telecommunications networks and services (public and/or private) throughout Oregon is critical to economic development, education, health and safety and the ability of residents to be linked to their governments. Research shows areas of the state either not served or underserved by competitive broadband technology. A significant barrier to the deployment of broadband infrastructure is funding. Cities need additional funding and support from various sources, including the state and federal government, allocated for increased or new, reliable, low latency broadband infrastructure that reaches speeds of at least 25 Mbps download and 3 Mbps upload or any updated speed standards as adopted by the FCC. Many federal grant programs require localities to have a broadband strategic plan in place before they are eligible for funds. Therefore, there is a need for funding sources to help cities with technical assistance as well as infrastructure.

*Presented by the Telecom, Broadband & Cable Committee*

#### **C. Building (Reach) Code – Energy Efficiency Local Option**

**Legislation:**

The LOC will pursue/support legislation to allow communities to adopt the Reach Code as the mandatory residential or commercial building code within the city's jurisdictional boundaries. The Reach Code would represent a building energy code that would be at least 10 percent more efficient than the statewide building code. Under this proposal, cities would be able to adopt the more efficient Reach Code or would continue to use the standard statewide building code as the base code.

**Background:**

Under current state law, cities are preempted from adopting local building codes. Instead, development is subject to statewide codes, including for new residential and commercial development. In 2009, legislation was passed to implement a new, optional code (Reach Code) that would allow developers to exceed statewide codes and streamline the construction of higher-performance buildings through efficiencies gained in the building exterior envelope as well as heating, ventilation, air conditioning, piping insulation and lighting. The Reach Code is optional for builders to use, but a local government can't mandate a builder to use it. This legislative recommendation would allow a city to adopt the Reach Code within their jurisdiction in order to promote additional energy efficiency for new residential and commercial structures. If a city does not wish to adopt the Reach Code, the statewide code would remain in place. The LOC Energy & Environment Committee discussed whether this recommendation would impact housing costs and believes that long-term cost savings may be gained through increased energy efficiency in newly built units. Ultimately, the decision on whether to utilize the standard code or the enhanced (Reach) code would be at the discretion of the city.

*Presented by the Energy and Environment Committee*

**D. COVID-10 Economic Recovery Investments****Legislation:**

The League will advocate for continued economic recovery strategies and investments for small business and workforce assistance in response to the economic impacts of the COVID-19 pandemic.

**Background:**

The COVID-19 pandemic has had a devastating impact on Oregon's small businesses and workforce. While the federal government and the state have made recent investments to support small business, these resources have yet to meet current needs and more resources will be needed to support long term economic recovery for Oregon's communities. The League will work in coordination with economic development partners to advocate for continued investments to support long-term recovery and economic development.

*Presented by the Community Development Committee*

**E. Digital Equity and Inclusion****Legislation:**

Support legislation and policies that are inclusive and equitable to all, individuals and communities, so that they have the information technology capacity needed for full participation in our society, democracy and economy.

**Background:**

Connectivity is crucial to modern life. It is being relied on more for how people do business, learn, and receive important services like healthcare. As technology has evolved, the digital divide has become more complex and nuanced. It is no longer about the existence of technology in certain places. Now, the discussion of the digital divide is framed in terms of whether a population has access to hardware, to the Internet, to viable connection speeds and to the skills and training they need to effectively use it. The LOC will partner with schools, healthcare, and other stakeholders to ensure technologies are relevant, available, affordable, and accessible to the diverse populous and communities of Oregon. Additionally, the LOC will advocate for digital literacy programs to help learn these new technologies.

*Presented by the Telecom, Broadband & Cable Committee*

## **F. Expedited Siting for Shelter and Affordable Housing**

### **Legislation:**

The League will pursue legislation to expedite the siting of emergency shelter and other affordable housing that follows the intent of the 2020 shelter siting bill (HB 4001) but retains more local decision making in the process. The League will pursue this priority in coordination with affordable housing partners and other land use stakeholders.

### **Background:**

The League worked closely with city and county partners during the 2020 session to gain improvements to HB 4001, which sought to preempt all local siting and zoning regulations and the land use appeals process, for approving the siting of emergency shelters for a one-year period. HB 4001 received strong legislative support in 2020. Draft omnibus legislation for a potential future special session has included the text of HB 4001 and the League expects to see HB 4001 reintroduced in the 2021 session.

This priority will empower cities and counties to proactively introduce alternative legislation, similar to existing statute in California, which requires jurisdictions to identify places where shelters can locate instead of mandating that jurisdictions allow shelters to be sited anywhere. The California model requires cities and counties to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit and requires cities and counties to treat transitional and supportive housing projects as a residential use of property.

*Presented by the Community Development Committee*

## **G. Green Energy/Renewables – Expanded Local Option**

### **Legislation:**

The LOC will pursue/support policies that increase local control opportunities for cities that want to establish a community-scale green energy program. This program would be optional for cities that choose to pursue it. Cities who choose to, would be allowed to adopt resolutions that would opt-in residential, commercial, and industrial customers to a voluntary renewable energy option if it is provided by an investor owned utility that serves the city and its electric customers. Under this proposed program, a city would be able to pursue a more aggressive green energy portfolio and would better position cities to meet local climate action goals.

### **Background:**

Under current law, customers of investor-owned utilities can opt-in to voluntary renewable energy options for their customers. These options allow customers to invest in additional green energy generation. In 2019, the state of Utah passed legislation (SB 411) that allows cities and counties to opt-in to programs on a community-scale basis, while still allowing individual customers to opt-out. Under this proposal, any city within the territory of an investor-owned utility, would be able to pursue this option for community-scale renewable energy (net-100% renewable).

*Presented by the Energy and Environment Committee*

## **H. Housing and Services Investment**

### **Legislation:**

The League will support increased investments for affordable housing, homeless assistance, and related services including funding for: shelter, homeless services, case management, rent assistance, the development and preservation of affordable housing, and permanent supportive housing.

**Background:**

Cities large and small were facing escalating homelessness rates before the COVID-19 pandemic and the current economic downturn will only increase the number of Oregonians facing eviction or experiencing homelessness. State general fund programs like the Emergency Housing Assistance (EHA) and State Homeless Assistance Program (SHAP) have seen record investments in previous legislative sessions. The legislative emergency board also voted recently to dedicate \$12M in general funds to support rent assistance and safe shelter in response to COVID-19.

Oregon's lack of available housing, high rents and high home prices are causing housing instability and homelessness to increase. The Legislature has made record investments in recent years to fund the LIFT affordable housing program and preserve Oregon's existing affordable housing infrastructure. These programs are funded through general obligation bonds and lottery backed bonds.

Permanent Supportive Housing is a key strategy for ending chronic homelessness that reduces downstream costs to public systems like public safety, emergency health care and corrections. The 2019 Legislature invested over \$50M to stand up a three-pronged permanent supportive housing program that includes 1) development costs to build, 2) rent assistance to keep units deeply affordable, and 3) wrap around services that are key to ensuring residents' long-term stability. The state should continue investing in this model to bring more Permanent Supportive Housing across the state and ensure that the housing developed with the original \$50M continues receive the necessary ongoing funding for rent assistance and supportive services.

*Presented by the Community Development Committee*

**I. Increased Budgetary Flexibility During Budgetary Emergency****Legislation:**

The League proposes relaxing budgetary constraints in state law so that cities may better be able to withstand revenue losses related to natural disasters and public health emergencies. These losses will inevitably force many cities to cut services and lay off staff, the legislature can reduce the effect of losses by increasing flexibility for use of funds during and after a declared emergency.

**Background:**

Cities anticipate a tremendous loss in revenue due to the COVID-19 pandemic. Reduced revenues already include losses to lodging taxes, gas taxes, park fees, development fees, parking fees, utility charges, and so on. Further out, there is widespread concern that there will be impacts to the real estate market going into 2021, and by extension a reduction in 2021-22 property tax revenues. Cities want maximum flexibility in using funds that are subject to statutory limitations but will negotiate terms on individual funding sources including payback requirements if necessary. This flexibility should apply during and after declared emergencies, including both the current pandemic and future natural disasters.

*Presented by the Finance and Taxation Committee*

**J. Infrastructure Financing and Resilience****Legislation:**

The League will advocate for an increase in the state's investment in key infrastructure funding sources, including, but not limited to, the Special Public Works Fund (SPWF), Brownfield Redevelopment Fund, and Regionally Significant Industrial Site loan program. The advocacy will include seeking an investment and set aside through the SPWF for seismic resilience planning and related infrastructure improvements to make Oregon water and wastewater systems more resilient.

**Background:**

Cities continue to face the challenge of how to fund infrastructure improvements (both to maintain current and to build new). Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia and the funds are depleting and unsustainable without significant program modifications and reinvestments. This priority will focus on maximizing both the amount of funding and the flexibility of the funds to meet the needs of more cities across the state to ensure long-term infrastructure investment.

*Presented by the Community Development Committee*

**K. Local Climate Action Planning Resources****Legislation:**

The LOC will seek grant funding and technical assistance resources for cities to pursue, adopt or expand local climate action plans. In addition, the LOC will pursue opportunities to work with the Oregon Climate Change Research Institute (through Oregon State University) to provide cities and counties with local/regional data that can better inform the adoption and implementation of climate adaptation and mitigation at the local level.

**Background:**

According to the Oregon Department of Energy's 2018 Biennial Energy Report (BER), since the early 1990s, major international and U.S. scientific assessments have concluded that both climate change mitigation and adaptation efforts are necessary in response to climate change. The BER goes on to explain that adaptation is often thought of as actions "to prepare for and adjust to new conditions, thereby reducing harm or taking advantage of new opportunities or simply to reduce society's vulnerability to climate change impacts." Local climate action plans, adopted by cities or counties, can help communities better understand how climate change will impact their communities, and can provide localized solutions to help mitigate against the impacts of climate change. The LOC is aware of fourteen cities that have adopted local climate action plans. There are other cities that are interested in doing the same but that do not have the financial and/or staffing resources that are necessary.

*Presented by the Energy and Environment Committee*

**L. Local Energy Generation Project Support****Legislation:**

The LOC will support/pursue funding, technical assistance and other tools that make local energy generation more feasible for cities to pursue.

**Background:**

Local energy generation projects can better position cities to pursue and achieve local climate action goals, address capacity constraints of existing electric transmission lines, and can help cities respond to individual businesses that may be seeking green energy options. The types of local energy generation projects discussed by the committee include, but are not limited to, small-scale hydropower, in-conduit hydropower, methane capture, biomass and solar. Such projects are not intended to conflict with existing low-carbon power purchase agreements but can position cities to pursue local climate action goals and supplement energy needs through renewable generation. Under this recommendation, the LOC will work to identify barriers and potential solutions to local energy generation and will pursue funding assistance for feasibility studies and project implementation.

*Presented by the Energy and Environment Committee*

## **M. Local Speed Setting Authority**

### **Legislation:**

Support legislation that provides legislative authority for ODOT to delegate local speed setting authority to Oregon cities that meet state criteria. I Improve safety and speed limit consistency in Oregon cities by establishing a clear delegation process that is consistent with recently adopted statewide speed zone rules. (OAR 734-020-0014, 734-020-0015, and 734-020-0016). This will be permissive legislation allowing cities to opt-in and thus will not be a mandate.

### **Background:**

The state of Oregon and cities across the state are all committed to improving safety on our streets. National and international research has shown that setting appropriate speed limits on city streets is a critical tool for improving safety and saving lives. During the 2020 legislative session, HB 4103 gained widespread support for setting up a collaborative process with ODOT and cities that opt into a process for gaining local speed setting authority. Despite strong support, HB 4103 did not pass due to the legislative clock running out. Going forward, LOC will work with safety advocates and cities and use HB 4103 from the 2020 session as a template for legislation in 2021. Delegated authority should be made available to all cities that meet ODOT's criteria; participation by cities is permissive (not required). Cities should be able to determine speeds that are adequate and safe for their communities, working within the OAR speed zone framework. This will improve safety and make speed setting more consistent across local government jurisdictions.

*Presented by the Transportation Committee*

## **N. Long Term Transportation Infrastructure Funding**

### **Legislation:**

Support expansion and consideration of revenue-generating options to fund multimodal transportation infrastructure, which includes state and local facilities. Support state and local projects that are part of the Statewide Transportation Improvement Program.

### **Background:**

Oregon has made two significant state-wide transportation investments in the last 15 years. In 2009 the Jobs and Transportation Act (JTA). This was a successful effort from local governments and the business community to invest in maintenance and capacity building projects state-wide. In 2017, HB 2017 established Oregon's first ever comprehensive, multimodal, transportation investment with what is known as "Keep Oregon Moving," which was a \$5.3 billion package. Although HB 2017 will not have its full funding until 2024 LOC and other transportation advocates will need to constantly explore other sources of revenue including a possible future replacement of Oregon's gas tax with a road user charge system. Oregon has been pioneering a vehicle miles traveled (VMT) tax within the MyOReGo pilot program. The program is voluntary and can provide several benefits to users. Ultimately the long-term structure for transportation investment may well take on a similar structure.

*Presented by the Transportation Committee, endorsed by the Community Development Committee*

## **O. Low-Income Energy Efficiency and Affordability Programs**

### **Legislation:**

The LOC will provide support for programs that seek to expand upon low-income energy and heating assistance programs, including programs targeted to make energy more affordable for rental properties. In addition, the LOC will work to support programs that provide for energy bill payment assistance and expand opportunities for low-income Oregonians to access resources for home weatherization.

**Background:**

According to Oregon Housing & Community Services, approximately 396,182, or about 25 percent of all households, are considered energy-burdened because of their energy-related expenditures (as of 2018). A household is considered energy burdened if six percent or more of its gross income is consumed by energy-related expenses. In recent years, legislation has been introduced in Oregon that would have provided additional assistance to low-income homeowners and renters that struggle with energy affordability. Unfortunately, legislation did not pass. The need for such assistance has increased as a result of the economic hardships resulting from COVID-19. In addition to bill payment assistance, there is a need for programs that will support low-income home weatherization in order to make energy bills more affordable in the long-term.

*Presented by the Energy and Environment Committee*

**P. Marijuana Tax Local Rate Limitation Increase****Legislation:**

The League proposes increasing the current 3% cap on local marijuana taxes. This would give local voters greater choice in choosing a rate that reflects their needs or their community.

**Background:**

Retailers licensed by the Oregon Liquor Control Commission (OLCC) are required to charge a state-imposed retail sales tax of 17 percent for all recreational marijuana sold. Cities and counties (unincorporated areas only) may also impose a local retail sales tax of up to 3%, subject to voter approval. Tax rates for recreational marijuana vary widely across the states, but the total Oregon tax burden at a maximum of 20% is the lowest of West Coast states. Washington imposes a 37% state excise tax, but with a state sales tax of 6.5% and local rates of up to 1.9% the total rate can reach over 45%. California has a retail tax of only 15%, but with a state sales tax of 7.5% and local taxes up to 15.25% the total rate can reach up to 37.75%. Oregon consistently ranks among the lowest of the states for marijuana prices. Cities are sensitive to the desire to not push consumers to the black market and will work with the legislature on an increased cap that balances that concern with local revenue needs.

*Presented the Finance and Tax Committee*

**Q. Mental Health Service Delivery****Legislation:**

Support the delivery of mental health services in order to reduce negative police interactions and ensure that those in need receive the help they require.

**Background:**

The Committee and the LOC membership have prioritized the delivery of mental health services periodically over the last 5 years. Items contained in this priority have included crisis intervention training for police officer, mobile police and social worker teams to proactively work with people in danger of going into crisis, jail diversion, mental health courts and greater access to care. In the immediate past short session, the LOC worked with its coalition partners to obtain \$9 million in additional funding for aid-and-assist, community care and jail diversion but was unsuccessful due to a lack of quorum.

While the measurements are subjective and not in general agreement, most surveys of behavioral health and alcohol and drug addiction service availability place Oregon near or at the bottom of state rankings. As a result, Oregon ranks third in the nation for alcohol related deaths, and above the national average in suicides. Anecdotally, most police chiefs that have participated in LOC conversations on this topic report a growing number of calls for service stemming from people in mental health crisis. The COVID-19 pandemic has exacerbated some of these issues with Portland Police Bureau reporting a 41% increase in suicide related calls (including attempts and threats) over this time last year. This priority would include but not be limited to:

Investment: The stark truth is that Oregon has never financially supported mental health services at a level commensurate with need. More beds and more capacity will allow for greater delivery. The spending plan may be complicated but many advocates bristle at the idea of “mental health reform” when it’s never been funded as a priority. The League does not have a specific number at this time but is in conversation with partners to develop one.

Decimalization of Mental Illness: People suffering from mental illness that interact with the criminal justice system typically spend more time incarcerated and suffer a disruption in treatment. Jail diversion has been something the League has advocated for in previous sessions and but will require changes in law, training and investments.

Workgroups Outcomes: There are currently several workgroups developing behavioral health reform plans that have yet to be completed, much of that work has been interrupted by COVID 19. LOC staff can update the Committee on these their work continues but cannot make recommendations on them now.

Alcohol Availability: The prevalence of cheap and potent alcoholic beverages that are produced and sold for the express purpose of achieving rapid intoxication has been a concern for Oregon Recovers, an advocacy group for those recovering from addiction. OLCC sells several 750 ml bottles for under \$10 and some as low as \$5. Creating a minimum price per international unit of alcohol has had an impact on consumption of cheap, potent beverages in Scotland and is believed to have had an impact on consumption there. Raising the price of low cost but high-volume products would also increase city shared revenue and provide additional funding for behavioral health services.

Mental Health Parity: Oregon and the federal government have enacted statutes to ensure that mental health services are treated as a health issues in a manner identical to physical health by health insurers. The legislative intent behind these laws has not been met as evidence by reports of denied coverage. Ensuring effective parity would increase treatment an access.

*Presented by the General Government/Human Resources Committee, endorsed by the Community Development Committee*

## **R. Municipal Broadband and Pole Protection**

### **Legislation:**

Oppose legislative efforts to restrict existing municipal authority to provide broadband services, and own and operate poles in the rights-of-way.

### **Background:**

As the public grows more dependent on the Internet for expanding parts of their lives, community choices for gaining access at a reasonable price, for both consumers and producers, are dwindling. Some municipalities choose to become service providers themselves. Municipal broadband is sometimes the only way to bring high speed internet to a community and it can serve as an access point to neighboring communities. Additionally, municipal broadband adds competition to the market and can help lower prices for community members. As there is a push for more connectivity and bridging the digital divide, the LOC will protect localities rights to be internet service providers for their own communities. Additionally, as more and more small cell and 5G technology is deployed in the rights-of-way, the LOC will protect the right of municipalities to own, operate and regulate attachments that are allowed on their poles.

*Presented by the Telecom, Broadband & Cable Committee*

## S. New Mobility Services

### **Legislation:**

Support for a variety of new mobility services that promote a safe, sustainable, and equitable multimodal transportation system, while preserving local government's authority to regulate services and ensure they best serve the local context.

### **Background:**

Transportation mobility has been rapidly changing over the last few years. The emergence of ridesharing services such as Transportation Network Companies (TNCs) now provide the public with more options to get from point "a" to point "b." New platforms continue to emerge such as scooters, shared bikes, electric delivery tricycles for package delivery and the possibility of future driverless delivery and vehicle fleets. Cities must have the flexibility to address the impacts of emerging technologies on their communities such as increased congestion and air pollution while protecting consumers and maintaining a safe transportation network that recognizes the unique needs of individual communities.

*Presented by the Transportation Committee*

## T. Photo Enforcement Safety Cameras

### **Legislation:**

Support continuation and expansion of fixed speed and red-light cameras and mobile speed radar state-wide to improve public safety in high-crash corridors. Explore changes that enable more streamlined processing of citations. Allow for local governments to form IGA's with other local governments to facilitate the use of safety cameras and mobile radar in their communities.

### **Background:**

The Oregon Transportation Safety Action Plan sets a goal of no deaths or life-changing injuries on Oregon's transportation system by 2035. In 2015, the Oregon Legislature granted the city of Portland the authority to implement a fixed speed safety camera program (HB 2621). Portland's fixed speed camera systems have been operating on "urban high crash corridors" for the past several years. Data collected at these locations shows a distinct change in driver behavior that has reduced the risk of collisions (See PBOT Report). Under existing statutes, photo radar is allowed in the cities of Albany, Beaverton, Bend, Eugene, Gladstone, Medford, Milwaukie, Oregon City, Portland and Tigard. LOC's goal is to bring this authority state-wide providing all cities with the choice of operating speed radar in their communities to improve safety and reduce the risk of high-speed crashes.

*Presented by the Transportation Committee*

## U. Property Tax Reform

### **Legislation:**

The League of Oregon Cities proposes that the Legislature refer a constitutional measure and take statutory action to reform the property tax system as part of the 2021 session. With the passage of the Corporate Activities Tax Oregon has taken a step towards long term financial stability at the state and school district level, but local budgetary challenges persist and the legislature must take action to allow cities and other local governments to adequately fund the services that residents demand.

### **Background:**

The property tax system is broken and in need of repair due to Measures 5 and 50, which are both now over 20 years old. The current system is inequitable to property owners and jurisdictions alike, is often inadequate to allow jurisdictions to provide critical services, removes all local choice, and is incomprehensible to the majority of taxpayers. Local governments and schools rely heavily on property tax revenues to pay for services and capital expenses. Therefore, the League will take a leadership role in forming coalitions to help draft and advocate for

both comprehensive and incremental property tax reform option packages. The League will remain flexible to support all legislation that improves the system, with a focus on a property tax package that includes, but may not be limited to these elements:

- To restore local choice, a system that allows voters to adopt tax levies and establish tax rates outside of current limits and not subject to compression (requires constitutional referral).
- To achieve equity, a system that has taxpayers' relative share tied to the value of their property, rather than the complex and increasingly arbitrary valuation system based on assessed value from Measure 50 (requires constitutional referral).
- To enhance fairness and adequacy, a system that makes various statutory changes, some of which would adjust the impact of the above changes. For example, as a part of comprehensive reform the League supports a new reasonable homestead exemption (percentage of RMV with a cap) but also supports limiting or repealing various property tax exemptions that do not have a reasonable return on investment.

*Presented by the Finance and Tax Committee, endorsed by the Community Development Committee*

## **V. Reducing Wastewater Impacts from Wipes and Other “Non-Flushables”**

### **Legislation:**

The LOC will work with other stakeholders, including the Oregon Association of Clean Water Agencies address challenges resulting from wipes and other non-flushable items. Legislation pursued will likely focus on requirements for manufacturers to clearly label product packaging to indicate that the product should not be flushed, however, the LOC will additionally explore other viable opportunities to address the public health, environmental and economic challenges resulting from improper disposal of these products.

### **Background:**

In recent years, public wastewater systems have experienced significant increases in sewer line clogs, environmental impacts, infrastructure impacts and costs associated with wipes being flushed down toilets. Most wipes don't break down when flushed, and even wipes that are labeled as “flushable” can clog pipelines and pumps and can cause sewage overflows in residences and the environment. The COVID-19 pandemic has made this challenge even worse due to shortages of toilet paper and increased use of disinfecting wipes. The EPA and other national organizations, as well as statewide and local wastewater agencies, are working to get the message out to avoid costly as well as environmental impacts of wipes in our sewer and treatment systems. In March of 2020, the state of Washington passed legislation requiring manufacturers to label products with a “do not flush” logo if the product does not meet national “flushability” standards (i.e. breaking down in the sewer system).

*Presented by the Water/Wastewater Committee*

## **W. Right-of-Way/Franchise Fees Authority Preservation**

### **Legislation:**

Oppose legislation that, in any way, preempts local authority to manage public rights-of-way and cities' ability to set the rate of compensation for the use of such rights-of-way.

### **Background:**

In its commitment to the protection of Home Rule and local control, the LOC consistently opposes restrictions on the rights of cities to manage their own affairs. From time to time, in the context of public rights-of-way management authority discussions, legislative proposals to restrict this authority arise. Efforts to restrict local authority often include proposals for a statewide right-of-way access policy and compensation system as well as limiting the ability of cities to charge fees of other government entities. This is contrary to local government management authority; the ability to enter into agreements with users of the right-of-way either by agreement/contract or ordinance; to set terms of right-of-way use and to set the rate of compensation. In recent

years the FCC has passed rulemaking through various orders like the Small Cell Orders (FCC 18-133 and FCC 18-111) and the Cable Franchising Order (FCC 19-80) that erode cities' right-of-way and franchising authority. Local governments around the U.S. are fighting these orders in court. There is a fear that the language of these orders will be codified in state legislatures. This would mean if the orders are overturned in court at the federal level, they will still impact cities in states that have passed laws codifying the orders.

*Presented by the Telecom, Broadband & Cable Committee*

## **X. State Highway Funds Formula**

### **Legislation:**

Consider opening the state highway fund distribution formula to allow for an additional percentage to cities. Currently the split is 50-30-20 with the State receiving 50%, Counties receiving 30% and the balance going to Cities 20%.

### **Background:**

Oregon has had a distribution formula for the state highway fund for decades. This fund combines the revenues generated from the state's gas tax, weight-mile tax on heavy trucks, licenses, fees, and bond proceeds. Approximately 77 percent of the total revenue collected by Oregon Department of Transportation (ODOT) is from state sources, while only 23 percent comes from federal sources. During the 2017 session base level funding for the least populated counties was established along with a \$5 million-dollar small city fund for cities under 5,000 in population with a maximum award of \$100,000 and no match requirement. LOC will engage with other transportation interests to determine if there is adequate support to advance legislation that would revisit the current 50-30-20 distribution.

*Presented by the Transportation Committee*

## **Y. Tort Liability Reform**

### **Legislation:**

COVID-19 and existing federal court decisions have added risk exposure to cities in areas where their authority has been limited or have not received adequate support. This priority seeks to ensure that cities are not held liable in these areas.

### **Background:**

CIS has already had a COVID related claim filed against it for a COVID related exposure. While there may be many legitimate reasons for a person to seek damages related to the outbreak, local governments have been hampered by inadequate supplies of PPE, testing capability, direct financial support, and legislative relief.

Additionally, the Boise decision that prevents cities from enforcing no camping rules and ordinances subject cities to additional tort liability. The ruling holds that if a person has no place else to go, a city must allow them to sleep somewhere. While there is a logical basis for the core of the ruling, if a city allows a person to sleep in an area that is not designed for camping, such as a park, the person may seek damages. Please note that recreational users of parks may not seek damages due to Oregon's recreational immunity statute that were corrected in 2017.

Finally, in previous sessions, legislation has been introduced but not passed to require cities to permit shelters in areas where they may not be appropriate and "codify" the Boise decision in state law. This legislation did not include immunity from tort liability while removing city authority.

*Presented by the General Government/Human Resources Committee*

## Z. Water Utility Rate and Fund Assistance

### **Legislation:**

The League will work during the 2021 legislative session to provide water utility funding assistance for ratepayers that are experiencing ongoing or recent economic hardships. In addition, the LOC will work to identify opportunities for additional investments in public infrastructure, including water supply, wastewater treatment, stormwater management, green infrastructure opportunities and resilience for water systems. Finally, the LOC Water & Wastewater Policy Committee has identified a need for additional, targeted grant funding assistance that will benefit smaller communities. This includes additional funding to conduct rate studies, feasibility studies and funding to help communities comply with new regulatory requirements, including the requirement to include a seismic risk assessment and mitigation plan within regular water master plan updates.

### **Background:**

In response to economic impacts associated with the spread of COVID-19, many of Oregon's drinking water and wastewater utility providers have offered additional assistance to ratepayers. The LOC is aware that most water utility providers have temporarily ceased water service shut offs (disconnections) for non-payment or past due bill collection during this period of economic hardship. Impacts associated with residential ratepayer revenue losses and decreased water consumption from businesses that have either closed or limited operations has resulted in revenue losses for many Oregon water utility providers. Some water utilities have outstanding debt from prior infrastructure investments and have expressed concerns that reductions in revenue may impact the ability to make the ongoing debt payments. In addition, the economic hardships that are being experienced by many Oregonians, especially in low-income and minority communities, will be ongoing; highlighting the need for additional ratepayer assistance investments that focuses on equity and our most vulnerable populations.

The LOC will work to identify funding for water utility ratepayer assistance and will work to establish a framework for the distribution of funds and will seek to ensure that this crisis does not exacerbate existing inequities, especially for Black, Indigenous, other Communities of Color and for rural Oregonians.

In addition, while COVID-19 has created unique revenue challenges for water utility providers, a key issue that most cities continue to face is how to fund infrastructure improvements (including maintaining, repairing and replacing existing infrastructure and building new infrastructure to address capacity and regulatory requirements). Increasing resources in programs that provide access to lower-rate loans and infrastructure-specific grants will assist cities in investing in vital infrastructure improvements which will also help bolster economic recovery. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia and the funds are depleting and unsustainable without significant program modifications and reinvestments.

The LOC will pursue additional funding through the state's Special Public Works Fund, which provides funding assistance through Business Oregon for a variety of public infrastructure needs and will explore state bonding capacity opportunities for water-specific infrastructure needs. In addition, LOC will pursue funding for small communities that face regulatory and operational challenges. Examples of small-community funding assistance opportunities may include expanded grant opportunities through existing funding programs and additional funding assistance to help communities with regulatory compliance and engage in utility best practices, including rate studies.

*Presented by the Water/Wastewater Committee, endorsed by the Community Development Committee*