

**CITY COUNCIL MEETING
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August 7, 2018**

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**City of Dundee
City Council Meeting Minutes
August 7, 2018**

Call to Order

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

Council and Staff Attendance

Present: Mayor David Russ; Council President Kristen Svicarovich; Councilors Storr Nelson, Doug Pugsley, Ted Crawford, and Tim Weaver (7:05 pm). Absent: Councilor Jeannette Adlong. Staff members: Rob Daykin, City Administrator; Bill Monohan, City Attorney; and Melissa Lemen, Administrative Assistant.

Public Attendance

Erika Pagel, Newberg Area Habitat for Humanity; Bella Pagel; and John Mead, Bergstrom Winery.

Agenda Changes

Item 8.2, Dundee Women's Club, Cultural Advocacy Coalition grant application was added to New Business.

Item 8.3 Conditional Use Permit, Yamhill County, was added to New Business.

Public Hearing: Exemption from Competitive Bidding Requirements

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

Public Testimony

None.

Staff Recommendation

City Administrator Daykin reviewed details provided on page 3 of the agenda packet regarding the bid proposed by Portion Construction. C.A. Daykin reviewed the 5% contingency allowance as shown in the estimate. He discussed that there are some aspects of the repair work which are still undefined; the extent of the work required is still unknown. He explained that Porter Construction provided for this in the bid under Misc. Repairs and Allowances, which C.A. Daykin indicated will be further defined as the information is obtained and the actual amount of work is determined. Specific examples of the undefined work were highlighted and briefly discussed. C.A. Daykin explained that the only other item not provided for in the Porter Construction bid was the performance or payment bond costs, an additional cost of \$17,726; this was discovered through the process of crafting up the contract for Porter Construction.

There were no other comments and Mayor Russ closed the public hearing.

Resolution No. 2018-15, Authorize Fire Station Roof Repair Contract

A **motion** was made and seconded to approve Resolution 2018-15, a resolution of the City Council of the City of Dundee, Oregon, acting as the local contract review board, adopting findings in support of a public contracting exemption for the roofing repair project for the Dundee Fire Station facility. **The motion** passed unanimously.

Public Comment

Erika Pagel, Newberg Area Habitat for Humanity, approached Council and invited them to the upcoming 2018 Elected Officials Build on Saturday, August 25, 2018. A handout was provided detailing the event.

Consent Agenda

The motion was made and seconded to approve Consent Agenda Item 6.1 City Council Minutes, July 17, 2018 and Item 6.2 Financial Report Ending June 30, 2018. **The motion** passed unanimously.

Old Business

Bergstrom Water Line Proposal Amendment

C.A. Daykin reviewed that Bergstrom Winery has proposed paying one-third of the increased costs associated with an updated bid of the project, which would increase the City's total share of the project costs from \$86,802 to \$93,746 if accepted by the City. Discussion ensued and C. Nelson explained the details associated with BOLI wages. He also noted that construction costs overall have increased in the past two months as the availability of work and costs of materials have increased. C. Crawford expressed concerns with regard to potential leakage of the discussed water line to which C.A. Daykin explained that their belief that there is not much leakage in that part of the water line; when the line was opened during the Roy Winery work the condition of the line was determined to be in fairly good shape at that time. C.A. Daykin reviewed that the reason this water line is in the Water Master Plan is because these types of pipes have a limited life and this line has reached about halfway of its life expectancy. C.A. Daykin reviewed that Bergstrom Winery's other option would be to provide their own fire suppression system on-site storage and hydrant. C. Nelson pointed out that while initially the project was a good value for the City, with the required changes from their contractor, and Bergstrom Winery contributing less of those charges, the project is now less appealing for the City. Potential causes for the delay in the project were briefly discussed. Detailed discussion ensued and C.A. Daykin suggested that a fair approach might be for the City to pick up the prevailing wage increase while allowing Bergstrom Winery to be responsible for the increased costs of materials. Consensus of Council was for the City to accept the BOLI rate increase responsibility while favoring Bergstrom Winery to accept the other cost increases associated with the project. **A motion** was made and seconded to authorize the City Administrator to execute an agreement with Bergstrom Winery that is approved by the City Attorney, providing for the installation of ductile water line and fire hydrant on Worden Hill Road, and payment of no more than \$86,802 plus the BOLI wage increase. **The motion** passed unanimously. (Additional discussion regarding this ensued following discussion of the Construction Defect Consulting, Inc. Agreement.)

Fire Station Construction Project Settlement Agreement

C.A. Daykin reviewed the details contained in his Agenda Report on page 57. He recalled that there had been some discussion about the \$10,000 that was being held back by the City from the prior settlement agreement, and noted that though Baldwin suggested deducting their \$930,000 by that amount, the arbitrator made it very clear that the full \$930,000 will be paid; any prior settlement will be replaced by this Agreement. Also, an additional \$50,000 from Mackenzie was added to the final settlement, bringing the total amount of \$980,000 paid to the City. Brief discussion ensued. **A motion** was made and seconded to authorize Mayor Russ to execute the Mutual Settlement Agreement. **The motion** passed unanimously.

Construction Defect Consulting, Inc. Agreement

C.A. Daykin discussed in detail the services provided for in the Construction Defect Consulting, Inc. Agreement, as outlined in the Agenda Report on page 71. **A motion** was made and seconded to authorize the City Administrator to execute an agreement prepared by the city attorney for architectural services provided by Construction Defect Consulting, Inc. in the amount of \$88,310. **The motion** passed unanimously.

Bergstrom Water Line Proposal Amendment (continued)

C.A. Daykin acknowledged that John Mead, Bergstrom Winery, had arrived late to the meeting following the previous discussion regarding their water line proposal agreement. C.A. Daykin reviewed Council's proposal decision in detail. C. Pugsley discussed that it is their belief that the City is not responsible for the delays associated with the project. Mead informed that they received notification about the BOLI wages a week ago, and when the contractor re-bid the contract at BOLI wages they also took that opportunity to update the prices in their bid which resulted in an increase as well. He explained that it was not in his best interest to bind the previous contract with the subcontractor to perform work and purchase pipe without a contract from the City; they received the contract yesterday and Mead noted his belief that information from the City was not forthcoming to them. City Attorney Monohan discussed that he received information about the BOLI wage increase 2-3 weeks ago, not only a week ago. He explained that within the law firm the assignment came to him to work on it a few weeks ago and so he made contact to advise Mr. Mead and thus began their communications a few weeks ago. C.A. Monohan discussed his belief that throughout his discussions with Mead that the work was not planned to be done until August, so it was known that they had the opportunity to get the final draft to Council for discussion so that they could authorize the work for August. Mead discussed that they would have liked to begin work on August 7, 2018 (today). Mead also explained that the May bid expired while they were waiting to hear back from the City; he noted there was a 30-day expiration on the bid which expired approximately two weeks following the initial City Council meeting. Council members pointed out that this was before the BOLI issue was known and that the bid would have expired anyway based on this timeline discussion. Mead discussed that they would have purchased the pipe as soon as they signed the contract which would have locked in the material prices for the contract; the increase in material prices was noted to only represents approximately 50% of the overall cost increases. A cost breakdown was reviewed in detail. Consensus of the Council was to move forward with the decision previously made at the meeting tonight regarding this Agreement.

Omundson Construction Company Agreement

M. Russ briefly reviewed that this is an agreement for construction observation services during repair of the fire station roof. **A motion** was made and seconded to authorize the city administrator to sign the letter agreement from Omundson Construction Company for construction observation services. **The motion** passed unanimously.

New Business

Brix Paving Change Order

M. Russ noted that this information was also briefly discussed at the Special City Council meeting on August 2, 2018. C. Nelson reviewed his previously expressed concerns and pointed out that the road subgrade needs to be strong enough to support the new asphalt. He pointed out the huge benefit of the soil cement subcontractor being able to come in the next day; no mobilization charges were lost to have Brix Paving come back and do this again. Additional discussion ensued. **A motion** was made and seconded to approve the Asphalt Paving change order from Brix Paving at an estimated increase in overall project cost of \$11,134.81. **The motion** passed unanimously.

C. Nelson suggested that moving forward the City should have a back-up plan on some of the other Riverside Streets. C.A. Daykin discussed that he and City Engineer Reid did have a conversation about reviewing the City standards when the Riverside area is being built out to take another look at how streets are built. C. Nelson discussed his belief that the issue is not necessarily a design flaw; some of the streets being rehabilitated weren't originally constructed up to standard with some areas showing faulty substandard subgrade. Additional detailed discussion ensued and C. Nelson pointed out that in the lower part of town where the ground water tables are elevated the interior streets are likely approximately the same age, and thus the City should be prepared for the potential of similar issues. He also explained the benefits of the City performing more extensive exploration of streets prior to the bidding process.

Dundee Women's Club, Cultural Advocacy Coalition Grant Application

M. Russ reviewed that the Dundee Women's Club has asked the City to provide a letter of support on their behalf to the Cultural Advocacy Coalition. The consensus of Council was to offer their support of Mayor Russ providing a letter as part of the grant application process.

Conditional Use Permit, Yamhill County

C.A. Daykin reviewed that he previously emailed support documentation with regard to the conditional use permit. He informed that the City of Dundee did receive an opportunity to provide Agency comments though City Planner Caines is out of town under next week; the deadline for response is prior to the next City Council meeting. C.A. Daykin encouraged Council to review the electronic application information and inform him of any concerns they may have. Additional detailed discussion ensued and C.A. Daykin reviewed that the proposal includes the addition of solar panels on twelve acres of the gun club property. He indicated that it appears that the gun club will still retain ownership and would be leasing the property to the solar panel company in order to generate revenue for the club. C.A. Daykin reviewed that this land use decision will go to Yamhill County for a public hearing. It was noted to be unclear as to whether or not the gun club would continue to operate as it has once the solar panels are installed. C.A. Daykin reviewed that their use of the property is a nonconforming use.

Mayor's Report

M. Russ discussed that there is a recreation vehicle (RV) which has been parked in the ODOT area near the overpass area on Highway 99W for the past 1-2 months. He informed that he reported the RV to the Yamhill County Sheriff's office a week and a half ago with no change seen. C. Crawford informed that he and C.A. Daykin will be going to talk with ODOT on Thursday to discuss using that piece of property for a rest facility or information center. It was noted that the RV is parked within City limits. It is not known at what level the local police have yet addressed the issue of the RV, though it is believed to have been tagged. C. Weaver briefly discussed the complicated process which is involved in moving a vehicle off of public property. Discussion ensued and C.A. Daykin informed that they will discuss the issue with ODOT on Thursday, though C. Crawford voiced that he mentioned the RV to them approximately six weeks ago as well.

Council Concerns and Committee Reports

C. Nelson inquired about the previously discussed issue of cars sales involving the property off of Third Street. C.A. Daykin reviewed that a letter was sent to the property owner with a compliance date of August 21, 2018. It was discussed that it appears that more gravel has been added on the property, bringing the cars closer to the street than likely is allowed. C.A. Daykin reviewed that at this point there are really no other options for the property owner aside from complying with the home occupation which will involve removing a majority of the cars. Additional discussion ensued.

C. Crawford inquired as to whether any new information has been received from ODOT with regard to the status of the street lights. C.A. Daykin informed that no updates have been received pertaining to the street lights. He reviewed that two weeks ago he discussed this with the ODOT official who took over Tony Snyder's position; he was to be on vacation for two weeks and now should be back. C.A. Daykin informed that he sent him an email today regarding three issues, including the street light issue. The deteriorating condition of the Dundee banners was discussed and C.A. Daykin noted that some of them have already been taken down. It was briefly discussed that the Fueled by Fine Wine banners should also be taken down at this point.

C. Svicarovich informed that her term on the Yamhill County Road Improvement Advisory Committee has ended and she won't be reapplying for that position due to a conflict in her schedule.

C. Svicarovich inquired about the status of the project taking place on Alder Street at Seventh Street. C.A. Daykin confirmed that the permits have been issued for the improvements and working in the right-of-way. He explained that City Engineer Reid has re-reviewed the construction plans that were previously approved, and that work has begun on the water line connections; they have cut into Seventh Street looking at the sewer taps as well. C. Svicarovich expressed concern with regard to the new State regulations pertaining to ADA ramps, and noted that she would like to make sure the project is inclusive of all of the ADA ramps necessary on the property frontage for the intersection at Seventh and Alder Streets. Though C.A. Daykin indicated his belief that these requirements have been met, he will confirm this information with C.E. Reid. Brief additional discussion ensued.

City Administrator's Report

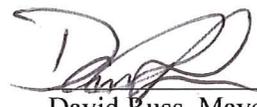
C.A. Daykin provided Council with information regarding USDA Rural Development conducting a compliance audit on the City loan agreement for the Fire Station construction project. He discussed that as part of this process they have asked that at least three of the Board Members (City Council) provide feedback on the provided questionnaire. M. Russ, C. Weaver and C. Adlong volunteered to complete the survey, which will be provided back to the auditor.

C.A. Daykin informed that there will be a preconstruction meeting with Porter Construction this Friday, August 10, 2018. He discussed that he was contacted by the Newberg Graphic regarding the Settlement Agreement. C. Crawford stressed the importance clarifying that the problem was caught while still under warranty, which is a major contrast to what happened at Portland Community College. M. Russ volunteered to offer comment if needed. C. Svicarovich discussed the importance of relaying that operations at the Fire Department will continue as scheduled with service maintaining at the same level during the construction.

Public Comment

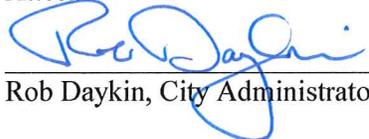
None.

The meeting was adjourned at 7:57 P.M.



David Russ, Mayor

Attest:



Rob Daykin, City Administrator/Recorder