

**CITY COUNCIL MEETING  
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November 19, 2019**

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**City of Dundee  
City Council Meeting Minutes  
November 19, 2019**

**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 Tim Weaver; Councilors Kristen Svcarovich, Ted Crawford, Jeannette Adlong, Storr Nelson and Patrick Kelly. Staff members: Rob Daykin, City Administrator; Bill Monahan, City Attorney; and Melissa Lemen, Administrative Assistant.

**Public Attendance**

Sean O'Day, Executive Director, Mid-Willamette Valley Council of Governments; and Mary Michelle Sosne, Actuarial Business Specialist, PERS.

**Agenda Changes**

Agenda item 7.2 Procurement Process for the Tourism Website and Social Media Services Agreement was added to New Business.

**Public Comment**

None.

**Consent Agenda**

A **motion** was made and seconded to approve Consent Agenda Item 5.1 City Council Minutes, November 5, 2019 and Item 5.2 Financial Report Ending October 31, 2019. **The motion** passed unanimously.

**Old Business**

**2020 Council Goal Setting Process**

Sean O'Day, Executive Director, Mid-Willamette Valley Council of Governments, approached Council. He discussed that over the last year the Staff and the Board of the COG have been looking at ways to help their members do effective strategic level goal setting within their means. He described a three step program which includes educating about what strategic management/strategic goal setting looks like, a facilitated goal setting session where objectives are set, and then through the life of that Plan (potentially 2 years) and during off-years complete the refresh or task level management. O'Day explained that the Board is reviewing this 3-step process and will be making a final decision in December. He discussed that the COG would provide, as a benefit of membership, the education of what strategic planning looks like, negotiate a fixed fee contract with service providers that members could enter into for the facilitated goal setting, and then as a benefit of membership the COG would come back and do that refresh of the task list though it would be somewhat different than the way it was done in the past.

C. Svcarovich inquired about the details of the facilitated goal setting process. O'Day explained that Step 1 (educational component) typically involves about 30 minutes of time, Step 2 (facilitated goal setting) can take as much or as little time as they determine necessary, and Step 3 (means portion) typically will last about an hour. O'Day discussed that the more time put into the facilitated goal setting portion the better the product will be, and many spend a half of a day on

this step (4-6 hours) with a lot of prep work done ahead of time by the facilitator. Detailed discussion ensued.

O'Day provided a PowerPoint presentation with regard to Strategic Level Leadership. He discussed in detail his background and specific interest in organizational development and strategic level planning. O'Day reviewed the governing basics of transparency and accountability. He discussed that goal setting would be done through an open meeting where the public is allowed to attend, though public participation would be at the discretion of the Council. O'Day discussed City Government structure in Oregon and described what it means to be a Home Rule State. O'Day discussed the roles of local government and the fact that the City of Dundee utilizes a modified version, a Mayor and Council form of government who has chosen to begin making the migration to a Council Manager form of government with an administrator. He encouraged Council to become familiar with the roles and responsibilities provided to them as well as the duties and responsibilities provided to their City Administrator. Discussion ensued and he encouraged Council to consider where the line will fall between Council setting policy and the Council running the operation. O'Day discussed entering into a strategic mindset as they move forward into goal setting. He explained the Ends, Ways, Means construct, as outlined in his presentation. O'Day explained the S.M.A.R.T. acronym and the importance of incorporating this into goal setting/strategic planning. He pointed out that though this process is a lot of work and a big time commitment, the payoff can be very rewarding and productive; aligning available resources with what Council has decided they would like the community to look like, and doing so through ways that are S.M.A.R.T., a lot will be accomplished. O'Day stated that Council's previous "goal setting" falls short in comparison to the benefits of strategic planning. O'Day offered that the COG can continue to offer support to refresh their list of goals if that is the direction Council wishes to continue (including an hour of free service), though he encouraged them to take some time to think about the concepts presented tonight. He also encouraged them to consider putting resources towards having a facilitator come in and spend the time with them to truly develop a strategic plan to assist them in moving the community forward.

C. Svicarovich inquired about whether their strategic plan, along with their list of goals, could work together; she voiced support of the valuable items in their list of goals which have been used effectively to make advances over time. O'Day discussed that these two items would work together; their list of projects, along with the broad list of goals, can work together to help create a more aligned strategic plan. Detailed discussion ensued.

C. Nelson voiced support of moving forward with this new approach; it would be a better use of their time. C. Adlong pointed out that moving forward in this way may be important looking ahead as there will likely be a new city administrator in the next couple of years; strategic planning would help a new employee better understand and define the direction Council would like to go. C.A. Daykin discussed that if Council desires to move forward with this approach a facilitator would be required as well as a significant commitment of time from the City Councilors to participate in the process; a separate meeting outside of a regular Council meeting would be held. The consensus of Council was to move forward with this strategic planning approach.

C. Nelson inquired about the 2020 Vision Statement to which C.A. Daykin discussed was produced around 2000. C. Nelson noted that a review of this information may be helpful.

### **PERS Side Account Incentive Program**

Mary Michelle Sosne, Actuarial Business Specialist, PERS, was present at the meeting and available to answer any questions. C.A. Daykin reviewed that the next opportunity for the City of Dundee to make application is December 2, 2019. He explained that the expectation is that this is

going to be a very competitive process at this point. Sosne stated that the application opportunity opens at 10:00 a.m. on December 2, 2019; applications are approved on a first-come, first-serve basis. Sosne introduced herself and discussed the services she provides to employers. She explained that she has been working with C.A. Daykin on and off since last year when EIF was first discussed. C.A. Daykin reviewed the two-phase process, noting agencies having an unfunded actuarial liability that was greater than 200% of payroll were allowed to make application starting on September 3, 2019. Dundee is below that threshold and must wait for the next opportunity on December 2. It was noted that applications are submitted through Survey Monkey and time stamped and ordered as they are received. Sosne clarified that the requirements are a \$25,000 minimum payment, the funds aren't borrowed, and that it's intended to be an easy process. She explained that this is the first time the legislature is providing funds and no additional restrictions were placed by PERS (beyond those which were already in place).

M. Russ inquired as to whether the contribution is included in the application and whether this can be changed after the application is made. Sosne confirmed that the contribution is included in the application and explained that it can be changed up to five days before the intended lump sum payment date (which is indicated in the application). Sosne noted that the payment date can also be changed but not later than August 31, 2020. She explained that there are two options for doing so which she reviewed in detail; C.A. Daykin has also been provided with this information. Detailed discussion ensued with regard to the process.

C. Crawford inquired as to when property taxes are expected to be received to which C.A. Daykin explained that the bulk of them come in November and December. Daykin noted that the General Fund will need enough cash on hand at the start of the fiscal year until collections from the new property are received. C.A. Daykin reviewed his recommendations as detailed in his agenda report beginning on page 41. C. Crawford inquired about the annual expected growth of PERS pension funds to which Sosne explained varies from year to year; the assumed rate is 7.2% though last year it was 0.56% and so far this year it's 8.5%.

C.A. Daykin explained that he learned after his memo went out that the City does have the ability to state more in the initial application and reduce it based on budget realities. He pointed out that his recommendation is now revised from what is contained in his agenda report. Sosne explained that funds can be decreased from the EIF funds though they cannot be increased unless a new application is submitted, though with the current interest from employers she does not believe there will be additional funds available to support that option.

C. Nelson inquired about how many agencies were eligible for the September 3, 2019 early application and how many applications were received. Sosne explained that there were over 200 employers who were eligible for the first round and 46 employers took advantage of it with 49 applications received; the total amount of matching funds from EIF was just over \$15 million. C. Nelson inquired about how many agencies may be applying in the upcoming second phase to which Sosne explained the initial estimates add up to just at \$75 million from employers who have shared what they anticipate they will be asking for (this leaves \$25 million). It was noted that everyone is first come, first serve, even those who have indicated what they will apply for. Sosne explained that if the last applicant is unable to be fully funded will be given the option of being partially funded or be placed first on the waiting list for the next available funds to be fully matched.

C.A. Daykin inquired about future funding opportunities. Sosne discussed that in July 2020 they will be receiving funds from repatriated capital income which is expected to be about \$25 million, and all proceeds from the sports betting that was introduced this year are intended to go towards EIF as well. Sosne discussed her belief that there is a lot of distrust for how the PERS fund has

been managed in the past and concern for how that will look moving forward. She explained that legislative changes have corrected those issues encountered in the past, and there are statutory limitations now in place. Additional discussion ensued and Sosne shared her belief that a lot of employers are waiting to see how things go this round, and she anticipates there will be a lot more participation moving forward.

C.A. Daykin discussed PERS provided a forecasting tool with the EIF application program, referenced in his memo, and in looking at that tool there is a sizeable increase in the next biennial PERS contribution rate structure and then flattens out for future years. Sosne explained that with Senate Bill 1049 the goal was to make employer rates more steady; there will be quite few changes seen coming up for 2021-2023 and 2023-2025 rates; the most significant change will be a temporary re-amortization of Tier 1/Tier 2 UAL for just the 2021-2023 rates which she explained in detail. These changes will mitigate the rate increase currently shown in the forecasting tool.

C.A. Daykin inquired about the effects of the City retiring out all Tier 1/Tier 2 employees over the next 3-4 years and how that would be handled by PERS. Sosne explained that the OPSERP salary would increase for the future bienniums on the employer contributions, and it reduces Tier 1/Tier 2. She pointed out that the City will still have obligations to those who have retired out if they have anyone who inherited those benefits after them and as long as they intend to receive those.

C.A. Daykin inquired about whether there are peer reviews of different state retirement systems and, if so, how Oregon ranks in terms of the overall 50 states in their managed systems. Sosne discussed that she is aware that Oregon was the second most complex program of the fifty states. With regard to funded status, Sosne explained her belief that Oregon falls towards the middle upper ranking. Additional detailed discussion ensued.

C.A. Daykin provided Council with a copy of a spreadsheet which was prepared for their review if they wish to participate in the program. He discussed his recommendation that the City make application for a \$400,000 contribution, which would have a match of \$100,000, for a total deposit of \$500,000. Though C.A. Daykin explained that he doesn't know if the City could fully fund it by the due date, through the budgeting process this could be examined more carefully. He explained that the spreadsheet was provided to reflect the impacts to the pertinent funds. Detailed discussion ensued and C.A. Daykin pointed out that the sewer fund would likely be the most difficult. He discussed that there will be additional discussions in early February about some recommended sewer projects that the City may have to undertake, including planning for the eventual replacement of the MBRs. C.A. Daykin discussed the decision-making process in detail, and noted that a final decision on the actual amount to pay into the side account would need to be made 30 days prior to the decided upon due date in order to allow for completion of an actuarial review that would be used to implement the PERS rate offset starting with the payment date.

**A motion** was made and seconded authorizing the city administrator to make application for the PERS Employer Incentive Fund program in the amount of \$400,000 and to request preparation of an actuarial report based on the side account payment date of August 1, 2020. **The motion** passed unanimously.

## **New Business**

### **PGE Undergrounding Design**

Mayor Russ voiced support and suggested moving forward with the PGE Undergrounding.

C. Crawford inquired about the street light project. C.A. Daykin explained that C.E. Reid has been doing a lot of the footwork himself (which the consultant should be doing) in effort to keep things moving forward. He discussed that C.E. Reid had been physically measuring the distance where poles and structures will be located underneath the existing wires and has found several areas where there are potential conflicts; now the process of resolving those issues must begin, though that appears to be the only thing holding things back. Discussion ensued.

**A motion** was made and seconded to direct the city engineer to initiate a work order with PGE for the installation of conduits and vaults to accommodate future undergrounding of PGE primary and secondary crossings of the highway. **The motion** passed unanimously.

#### **Procurement Process for the Tourism Website and Social Media Services Agreement**

C.A. Daykin provided Council with a draft of RFP that he was producing, though noted that of more concern is the process itself. He explained that the Dundee Municipal Code has this covered under Section 3.12.020 Personal Service Contracts. C.A. Daykin discussed that Section B provides the process for contracts which exceed \$25,000; essentially authority is placed with the city administrator to place the announcement, draft up the RFP, go through the selection process and award the contract. Discussion ensued. C.A. Daykin suggested Council provide authority for the Tourism Committee to actually review the RFP's and give them the authority to allow the city administrator to execute the contract based on the Tourism Committee's suggestion. Support for this was voiced by M. Russ and C. Weaver. C.A. Daykin suggested that a multi-year term with a possibility of an additional renewal would be ideal. He explained that the contract does provide for termination with a 30-day notice. Discussion ensued. **A motion** was made and seconded to authorize the city administrator to have the Tourism Committee undertake the responsibility for interviewing applicants under the program and to arrange for a term within the contract that is a multiyear term with termination opportunities. **The motion** passed unanimously.

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

None.

### **Mayor's Report**

None.

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

C.A. Daykin informed that Planner Cheryl Caines has resigned from her position at the City of Newberg effective December 11, 2019; she will be moving out of state. C.A. Daykin discussed that there is a body of work that they have been working on with Planning Commission; there have been multiple workshop sessions covering Code changes which have now stopped. He explained that Doug Rux, the Community Development Director for the City of Newberg, is talking to the COG now and arranging for an interim person to come in to assist with the City of Dundee; their existing Staff (at the City of Newberg) will not be able to provide the same level of service and their workloads are very heavy. C.A. Daykin shared that Rux expects the recruitment process for a replacement to take approximately 2-3 months. C.A. Daykin explained that the City does expect to receive two land use applications at some point soon, the cell tower conditional use application as well as possibly a subdivision in the next few weeks. He discussed that there will likely be hearings before the Planning Commission in January; City Staff will seek assistance from the COG through that process. C.A. Daykin explained that this change in Staff will also impact the body of work that was going to be completed with regard to vacation rentals; this process will be completed though C.A. Daykin discussed the importance of waiting until a new Planner is recruited so there is some continuity with that process.

C.A. Daykin discussed that the FY 2018-19 audit is almost complete; the City will be coming back with a clean audit report. He discussed that the auditor will likely make a presentation at the next Council meeting on December 3, 2019, though noted that if the timing doesn't work out for that meeting, he will likely come to the first meeting in January.

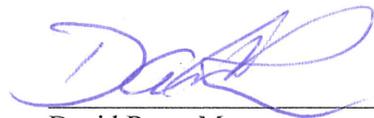
C.A. Daykin discussed that the floor work in the Fire Department is essentially completed; there is some clean-up that needs to be done. He explained that Jim Omundson is very pleased with the performance of the contractor. C.A. Daykin explained that there is some additional work that the contractor is requesting funding for and he will be meeting with Jim Omundson tomorrow to discuss out the details.

C.A. Daykin discussed that the Community Survey link will be available beginning tomorrow on the City website. He also explained that an additional reminder notice will be provided in the next utility billing statements that are mailed out.

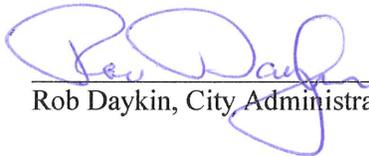
**Public Comment**

None.

The meeting was adjourned at 8:16 P.M.

  
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David Russ, Mayor

Attest:

  
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Rob Daykin, City Administrator/Recorder