

CITY OF McMinnville
MINUTES OF DINNER MEETING
of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, February 14, 2017 at 6:00 p.m.

Presiding: Scott A. Hill, Mayor

Recording: Melissa Grace, City Recorder

Councilors: Present Excused Absence
Remy Drabkin
Adam Garvin
Kevin Jeffries
Kellie Menke, Council President
Alan Ruden
Wendy Stassens

Also present were Interim City Manager Candace Haines, City Attorney David Koch, Community Development Director Mike Bisset, Fire Chief Rich Leipfert, Finance Director Marcia Baragary, Parks & Recreation Director Jay Pearson, and Tonya Moffitt of Merina & Company.

DINNER

CALL TO ORDER: Mayor Hill called the Dinner Meeting to order at 6:20 p.m. and welcomed all in attendance.

DISCUSSION:

Mayor Hill asked for a volunteer to lead the Pledge of Allegiance and Council President Menke volunteered.

Mayor Hill reviewed the agenda for the evening.

Finance Director Baragary introduced Tonya Moffitt of Merina & Company.

Mayor Hill reviewed the proposed Council assignments to the various boards, commissions, and committees within the City and County.

Mayor Hill noted that The Falls will have a grand opening on March 29th and shared an invitation for the ribbon cutting.

RESOLUTION NO. 2017-09: Fire Chief Leipfert discussed the proposed partnership agreement with Lafayette for substation use and explained the benefits of the agreement.

RESOLUTION NO. 2017-10: Parks and Recreation Director Pearson reminded Council that the lower City Park kitchen shelter had been lost to arson several years ago. He explained that the City received a grant from the Land and Water Conservation Fund for various renovations within City Park. Mr. Pearson detailed the renovations. He shared that four project proposals were received and the best scoring proposal was Glacier Construction. Mr. Pearson stated that the deadline for project completion is May 26th, 2017.

RESOLUTION NO. 2017-11: Community Development Director Bisset stated that the bid for the NE Alpine Avenue Improvement Project was repackaged and re-bid. Mr. Bisset shared that nine bids were received with Emery & Sons Construction Group coming in as the low bidder.

RESOLUTION NO. 2017-12: Mr. Bisset briefed Council on the design and construction of the sanitary sewer rehabilitation and repair projects at 12th Street, NE High School, NW High School and Chandlers Addition. He shared that seven proposals were received.

Councilor Drabkin arrived at 6:49 p.m.

ADJOURNMENT: The Dinner Meeting was adjourned at 6:50 p.m.

s/s Melissa Grace
Melissa Grace, City Recorder

CITY OF McMinnville
MINUTES OF REGULAR MEETING
of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, February 14, 2017, at 7:00 p.m.

Presiding: Scott A. Hill, Mayor

Recording: Melissa Grace, City Recorder

Councilors: Present Excused Absence
Remy Drabkin
Adam Garvin
Kevin Jeffries
Kellie Menke, Council President
Alan Ruden
Wendy Stassens

Also present were Interim City Manager Candace Haines, City Attorney David Koch, Community Development Director Mike Bisset, Finance Director Marcia Baragary, Fire Chief Rich Leipfert, Information Systems Director Scott Burke, Parks and Recreation Director Jay Pearson, Police Chief Matt Scales, Planning Director Heather Richards, and members of the news media, Tom Henderson of the *News Register*, and Norma and Dave Adams of KLYC radio.

AGENDA ITEM

CALL TO ORDER: Mayor Hill called the meeting to order at 7:00 p.m. and welcomed all in attendance.

PLEDGE OF ALLEGIANCE: Council President Menke led the Pledge of Allegiance.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Hill invited the public to comment.

Dan Hilbert, 875 NE 19th, thanked the Mayor and Council Members for serving. Mr. Hilbert stated that if Council votes to approve the restrictions on plastic bags, they are making a mistake. He spoke in opposition of the restriction and shared statistics from his research. Mr. Hilbert asked that they review the facts and questioned who will monitor the ban.

A member of the audience asked if there was an open position on the Yamhill County Transit Area Advisory YCTA Committee. Mayor Hill responded that the position will be filled by a Council Member.

1. CONSENT AGENDA

1.a. Consider the Minutes of the January 10, 2017 Dinner and Regular Meeting.

1.b. Request by Splash Gallery for a new liquor license at 405 NE 3rd Street Suite 8/9.

1.c. Request by Three Marys Cellar LLC for a new liquor license at 845 NE 5th Street.

1.d. Request by Jackson Family Wines DBA Consair Cellars for a new liquor license at 3500/ 3600 SE 3 Mile Lane.

1.e. Request by Vertical Success LLC for a new liquor license at 448 NE 3rd Street.

1.f. **Resolution No. 2107-08**: A Resolution authorizing the approval of a cooperative fund exchange agreement between the City of McMinnville and Oregon Department of Transportation (ODOT) known as 2017 Fund Exchange Agreement, No. 31871.

Council President Menke MOVED to adopt the consent agenda;
SECONDED by Council Stassens. Motion PASSED unanimously.

2. **Mayor Hill called to order a joint meeting of the McMinnville Urban Renewal Agency and McMinnville City Council at 7:13 p.m.**

Presentation: Audit for Fiscal Year 2015-2016 presented by Merina and Company.

Mayor Hill called on Finance Director Marcia Baragary. Ms. Baragary introduced Tonya Moffitt, partner at Merina and Company. Ms. Baragary added that Merina and Company specializes in governmental auditing.

Ms. Moffitt presented the Comprehensive Annual Financial Report. She noted that the City has additional information included in the report to increase transparency. She commented that the City received the Government Finance Officers Association (GFOA) Award for the year ended June 30, 2015 and she expects that the City will receive the prestigious award again in 2016.

Ms. Moffitt stated that there is an unmodified opinion for the City and the Urban Renewal Agency. She stated that this is the highest opinion that can be given. Ms. Moffitt explained that there were no recordable deficiencies for the City or the Urban Renewal Agency. She noted that all three reports have clean opinions and reported there were no audit findings.

Ms. Moffitt continued by presenting the single audit report. She explained that anytime an entity receives federal funding over \$750,000, an entity must have a single audit performed. Ms. Moffitt stated that there were no findings and clean opinions.

Ms. Moffitt explained that there is a net pension liability this year that wasn't shown last year. She directed Councilors to page 93 of the Financial Report that shows what is statutorily required. She explained that the City is meeting the statutory requirements and there is no deficiency or excess.

Councilor Menke stated that she was pleased with the presentation and Merina and Company's work. Councilor Menke congratulated Finance Director Baragary and her team on the Certificate of Excellency for financial reporting from the GFOA.

It was noted that there will be two more years of single audits.

Mayor Hill adjourned the joint meeting of the McMinnville Urban Renewal Agency and McMinnville City Council at 7:24 p.m.

3.a.

Mid-Year Budget Review

Finance Director Baragary stated that the purpose of the mid-year budget review is to provide an overview of the current fiscal year and give a preview of the upcoming budget.

Ms. Baragary displayed a chart reflecting the General Fund reserve as a percentage of annual expenditures. She noted that in 2011-2012, the Council adopted the fund balance policy of a goal of maintaining a 25% reserve and that it is estimated that the City may meet the threshold of 25% in 2018-2019.

Ms. Baragary discussed future challenges which included Public Employee Retirement System (PERS) employer contribution rates as well as repairs and maintenance of City facilities. She stated that it is being recommended that the City budget for the maximum PERS increases for the next several bienniums.

Ms. Baragary continued by discussing future opportunities. She stated that the State will be distributing marijuana tax payments in August 2017 although it is difficult to predict how much of the State tax that the City will receive. In addition, the City will be receiving the 3% local marijuana tax that the State is collecting on the City's behalf. Discussion ensued regarding how the funds will help the Police and Fire Department.

Ms. Baragary shared that the bankruptcy proceedings on the holdings of Evergreen Aviation and Space Museum and Wings & Waves Waterpark have been completed. All delinquent taxes have been collected and paid to the City and it is expected that the new owners will add value to the Evergreen properties and remain current on their tax payments.

Ms. Baragary shared that the City's management team is discussing long range financial and strategic planning, with the goal of addressing the challenges discussed and ultimately achieved long-term financial sustainability.

Lastly, Ms. Baragary stated that the 2017-2018 Proposed Budget will be presented to the Budget Committee on May 17, 2017. It will be a strategic and forward looking budget.

4.a.

ORDINANCES

Ordinance No. 5018: An Ordinance restricting the distribution of single use plastic bags.

City Attorney Koch stated that City Council held a public hearing to receive testimony on the possible restriction of the distribution of single use plastic bags. He reviewed the minor changes to the proposed ordinance.

The Council discussed the compelling testimony on both sides, their appreciation of the community's involvement in the discussion, the due diligence that has taken place, and the great civic discourse.

Councilor Ruden stated that he is hoping that the Ordinance will be monitored through community and teamwork.

City Attorney Koch read by title only Ordinance No. 5018 restricting the distribution of single use plastics bags. (No Councilor present requested that the Ordinance be read in full.) The title of the Ordinance was read the second time. Ordinance No. 5018 PASSED by a unanimous roll-call vote.

4.b.

Ordinance No. 5019: An Ordinance repealing Ordinance No. 5010 and Resolution No. 2016-72.

City Attorney briefed Council on the formation of the McMinnville Committee for Public Art (CPA). He stated that following a 3-month trial period, members of the McMinnville CPA and the McMinnville Downtown Association (MDA) have determined that the work of the Committee for Public Art can be most efficiently accomplished by reverting back to the non-profit umbrella of the MDA.

City Attorney Koch read by title only Ordinance No. 5019 repealing Ordinance No. 5010 and Resolution No. 2016-72. (No Councilor present requested that the Ordinance be read in full.) The title of the Ordinance was read the second time. Ordinance No. 5019 PASSED by a unanimous roll-call vote. It was noted that the Ordinance will take effect within 30 days.

5.

RESOLUTIONS

5. a. **Resolution No. 2017-09**: A Resolution authorizing the City Manager to execute an Intergovernmental Agreement with the City of Lafayette.

Fire Chief Leipfert explained the details of the contract. He stated that the long term hopes is that this partnership with the City of Lafayette will help the Fire Department meet response time standards. He discussed the long term benefits and using 190 agreements. It was noted that the Lafayette City Council authorized the contract to be executed at their most recent meeting.

Councilors thanked the Fire Chief for his ingenuity.

Councilor Menke MOVED to adopt Resolution No. 2017-09 authorizing the City Manager or designee to enter into and manage a partnership agreement with Lafayette for substation use; SECONDED by Councilor Ruden. Motion PASSED unanimously.

5. b. **Resolution No. 2017-10**: A Resolution awarding the contract for the construction of City Park Renovations, Project No. 2016-12.

Parks and Recreation Director Pearson discussed the scope of the project which includes the replacement of the lower City Park kitchen shelter (and concrete shelter slab) that was lost to arson, security cameras, and other improvements to the picnic plaza including the addition of a drinking fountain and bar-b-q, as well as unit pavers.

He stated that four project proposals were received with Glacier Construction providing the best combination of price and experience.

Councilor Menke MOVED to adopt Resolution No. 2017-10 awarding the contract for the construction of City Park Renovations, Project No. 2016-12; SECONDED by Councilor Garvin. Motion PASSED unanimously.

5. c. **Resolution No. 2017-11**: A Resolution awarding the contract for the NE Alpine Improvements Project, Project 2016-8.

Community Development Director Bisset reminded Council that one of the key projects in the 2014 Transportation Bond, approved by the voters, is the Alpine Avenue Improvements Project in the City's NE Gateway

district. He explained that Alpine Avenue is a central spine and the primary pedestrian route through the district. The planned improvements will create a low traffic, pedestrian-friendly, festival atmosphere, and will be a connection between downtown and destinations within the district.

Mr. Bisset stated that the funding included approximately \$2.1 million for improvements to Alpine Avenue. The McMinnville Urban Renewal Advisory Committee (MURAC) voted to add approximately \$2.2 million to the project budget to allow for expansion of the project.

Ms. Bisset stated that the project was originally bid late October, 2016. Four bids were received; however, all bids were well in excess of the available construction budget and therefore were rejected. The project design team redesigned elements of the project, simplify construction and reduce costs. The project was re-bid and nine bids were received, publicly opened and read aloud on February 2, 2017.

Mr. Bisset shared that there are three elements of the project:

- The base bid, representing completion of the festival district (NE 7th Street to NE 10th Ave);
- Additive alternate #1 for work in the craft district (NE 10th Ave to NE 11th Ave); and
- Additive alternate #2 for water & electrical improvements throughout the project limits.

The low bidder was Emery & Sons Construction Group. Their proposal of \$3,133,442.00 for the City work is within the available construction budget of \$3.4 million. Mr. Bisset added that McMinnville Water & Light has indicated that they will accept the bid of \$421,058.00 for their portion of the work (additive alternate #2).

Mr. Bisset stated that construction will begin in March, 2017 and be completed in early 2018. He mentioned that there will be a break in construction during the 2017 grape harvest and crush in order to minimize impacts to adjacent property owners.

Councilor Drabkin declared a potential conflict of interest as she operates a business in the district.

Councilor Ruden commented on the well-funded and strategized project. He added that it will be a centerpiece for the area.

Councilor Ruden MOVED to adopt Resolution No. 2017-11 awarding the contract for the NE Alpine Avenue Improvements Project, Project No. 2016-8; SECONDED by Councilor Stassens. Motion PASSED unanimously.

5. d.

Resolution No. 2017-12: A Resolution establishing a list of firms qualified to provide consulting services related to the design and construction of sanitary sewer rehabilitation and repair projects.

Community Development Director Bisset presented. He stated that Staff recently completed a Request for Qualifications (RFQ) process to develop a short list of qualified firms or individuals to provide engineering or other professional services related to completing sanitary sewer rehabilitation and repair projects contained the City's adopted Wastewater Conveyance Master Plan and associated Wastewater Financial Plan. The list of qualified firms are: AKS Engineering & Forestry LLC, Murray, Smith & Associates, Inc., Century West Engineering Corporation, and Carollo Engineers.

Councilor Drabkin MOVED to adopt Resolution No. 2017-12 establishing a list of firms qualified to provide consulting services related to the design and construction of sanitary sewer rehabilitation and repair projects; SECONDED by Councilor Ruden. Motion PASSED unanimously.

ADD ITEM

Committee Assignments

Mayor Hill reviewed the changes to the Council's committee assignments. He stated that Councilor Garvin will be replacing Councilor Menke on the Yamhill Communications Agency (YCOM) Board.

The Mayor stated that Adam Garvin has been nominated to serve on the YCOM Board. Motion to nominate Adam Garvin to serve on the YCOM Board PASSED unanimously.

ADD ITEM

Request by Momiji Sushi Bar for a new liquor license at 913 NE Highway 99.

Motion to approve a new liquor license at 913 NE Highway 99 PASSED unanimously.

5.e. **Resolution No. 2017-13:** A Resolution approving an Employment Agreement with Jeffrey Towery.

City Attorney Koch stated that interviews for applicants for the City Manager position were conducted in January. He stated that a conditional offer was made to Mr. Towery and background checks were performed. The results of the background checks came back favorable.

Mayor Hill stated that Mr. Towery has set himself apart from the other candidates to Council, Department Heads, and the Council. He shared that the City is lucky to have someone with such a broad experience. He added that he learned during a visit to his former employer, that Mr. Towery mentors and is a partner with Department Heads.

Councilor Ruden MOVED to adopt Resolution No. 2017-13 approving an Employment Agreement with Jeffrey Towery; SECONDED by Councilor Jeffries. Motion PASSED unanimously.

Mayor Hill presented Ms. Towery with a flower in appreciation of her support. Mr. Towery stated that he is honored, humbled and looks forward to being a part of the community.

5.f. **Resolution No. 2017-14:** A Resolution terminating the Interim City Manager Employment Agreement with Candace Haines.

Mayor Hill stated that Interim City Manager Haines will be with the City for three more days during the transition.

Mayor Hill shared that Ms. Haines was called out of retirement because the City needed her special skills to bring the team back together. He stated that she has done a phenomenal job and presented her with a flower in appreciation of the work she has done over the last few months.

The Council expressed their appreciation of Ms. Haines for her sacrifices and her love for the City. Councilor Stassens added that Ms. Haines exceptional humility, service, and kindness was just what was needed to bring everyone together.

Councilor Stassens MOVED to adopt Resolution No. 2017-14 terminating the Interim City Manager Employment Agreement with Canace Haines; SECONDED by Councilor Ruden. Motion PASSED unanimously.

Interim City Manager Haines thanked the Councilors for the opportunity.

6. ADVICE/ INFORMATION ITEMS

6. a. Reports from Councilors on Committee and Board Assignments

Councilor Garvin stated that the YCOM Board met last Thursday. He stated that there is talk about software that will need to be replaced. He added that the ability to text 911 is on the horizon.

Councilor Jeffries shared that the Council of Local Governments (COG) will be meeting to go over the recruitment process to find a permanent Director for the COG.

Councilor Menke stated that the Destination Marketing Organization (DMO) group recently conducted goal setting. She reiterated that the Audit Committee is thankful for the work of the Finance Department and Department Heads.

Councilor Drabkin announced that the Affordable Housing Task Force has launched a sub-committee focused on homelessness. She stated that the group has met and identified community stakeholders who would like to be a part of the process.

Councilor Ruden reported on the Airport Commission. He stated that they are working with the managers at the Airport and the reconstruction of the runway is due to start this year. He stated that the Commission deals with maintenance and complaints as well.

Mayor Hill shared that he recently attended City Day at the Capitol. He stated that the four legislative priorities for the League of Oregon Cities are: property tax reform, recreational immunity, transportation funding, and Public Employee Retirement System (PERS). The priorities for the Governor are: education focused on an increased graduation rate, healthcare for all children, and transportation.

6.b. Department Head Reports

Parks and Recreation Director Pearson shared that Facility Supervisor Aaron Johnson will be leaving in a couple weeks. Mr. Johnson has been with the City for 7 years. He added that he may be bringing a Resolution supporting recreational immunity to the Council in the future.

7. ADJOURNMENT: Mayor Hill adjourned the Regular City Council Meeting at 8:33 p.m.

s/s Melissa Grace
Melissa Grace, City Recorder