

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

Tuesday June 11, 2019 at 7:00 p.m.

Presiding: Kellie Menke, Council President

Recording Secretary: Melissa Bisset

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	Scott Hill
	Adam Garvin	
	Zack Geary	
	Sal Peralta	
	Wendy Stassens	

Also present were City Attorney David Koch, City Manager Jeff Towery, Community Development Director Mike Bisset, Finance Director Marcia Baragary, Human Resources Manager Kylie Bayer-Fertterer, Parks and Recreation Director Susan Muir, Planning Director Heather Richards, Police Chief Matt Scales, and members of the News Media – Tom Henderson and Jerry Eichten, McMinnville Community Media.

AGENDA ITEM

1. CALL TO ORDER: Council President Menke called the meeting to order at 7:01 p.m. and welcomed all in attendance.

2. PLEDGE OF ALLEGIANCE: Councilor Garvin led the pledge of allegiance.

3. PRESENTATIONS

3.a. 2020 US Census

US Census Bureau Partnership Specialist Jim Graham presented. He explained the importance of the 2020 census in State representation and federal funding. He reviewed the challenges to an accurate count including mobile population, increasing diversity, complex living arrangements, and rapidly changing use of technology. The hard to count populations were children under 5 and young families, non-English speakers, senior citizens, immigrants, homeless/transient/migrant workers, people with disabilities, and veterans. He emphasized the need to convince people to respond to the census. He thought the declining response rates were due to a polarized society, distrust of government, information, misinformation, and disinformation explosion, citizenship question, fear of retribution, presidential primaries, and distractions. The questions that would be asked on the census were people's address, phone number, count of each person

at that address, name, gender, age and date of birth, race, Hispanic, Latino, or Spanish origin, whether someone lives somewhere else, relationship, and citizenship. He explained that the data collected was private and confidential noting that results were reported in aggregate only and they were prohibited by law from releasing personal information to any person or organization. He shared the language options that would be offered on the internet as well as on the paper form, questionnaire help, enumerators, mailed items, and language card and guides. There was a Response Outreach Area Mapper tool that could be found at www.census.gov/ROAM. He reviewed the ROAM attributes of McMinnville census tracts showing the non-response rates for different areas of the City. He reviewed the timeline for the census and shared that they were currently hiring census workers. He asked for community support for an accurate count and provided examples of ways to support the count. He also asked that the City show support through forming a Complete Count Committee or issuing a proclamation in support of the census efforts.

Discussion ensued regarding little to no cost options to promote the census efforts.

Councilor Garvin was in support of low budget impact options with a high value return, such as a flyer in the McMinnville Water and Light bills. He was opposed to any high dollar expense.

Councilor Peralta agreed with Councilor Garvin. He was supportive of a proclamation.

Councilor Geary was in support of a proclamation as well as low dollar options. Councilors Drabkin and Stassens agreed.

There was consensus to direct staff to form a Complete Count Committee and issue a proclamation.

3.b. Oregon Accreditation Alliance

Executive Director of the Oregon Accreditation Alliance Ed Boyd presented the McMinnville Police Department with their third consecutive Award of Accreditation. Accreditation was all about standards of accountability, performance, and conduct. The accreditation process was a way of helping law enforcement agencies evaluate and improve their overall performance and it provided formal and professional recognition that an organization met or exceeded best practice expectations of service and quality in the profession. To be accredited, the agency must meet 102 professional standards comprised of over 400 separate requirements contained within those standards. It took courage for the organization to take on the rigorous accreditation process. It also showed commitment, transparency, and extreme dedication. The McMinnville Police Department joined the Accreditation Alliance in July 2009.

3.c. Merina and Company

Tonya Moffitt from Merina and Company reviewed the findings from the Recology Rate Review that had been conducted. They had looked at three years of rates from 2016, 2017, and 2018. The information agreed with the source documents they had received from Recology. Their findings were that the information agreed and they were given access to the information that they requested.

Councilor Stassens asked if there was a portion of the information from the Merina and Company review that could be provided to citizens. Ms. Moffitt was not sure what was confidential and what was not confidential. She stated that the information that was provided by Recology agrees to the information given to the City and it is consistently reported over the three year period and they had anything they asked for on behalf of the City.

Councilor Geary asked about the timeframe for the audit.

Ms. Moffitt said they contracted with the City in March and completed the report in May.

4. ADVICE/ INFORMATION ITEMS

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

Councilor Geary reported on the last Historic Landmarks Committee meeting, Landscape Review Committee meeting, and McMinnville Community Media. He noted the Parks and Recreation Survey was out until June 21.

Councilor Drabkin reported on things the Affordable Housing Task Force and Homelessness Subcommittee were not doing that had been miscommunicated in social media. A large homeless camp or low barrier shelter had not been proposed and there would be no permitted drug use in the City. They were not purchasing RVs for the homeless and were not working against the Police Department. The funding through the wastewater franchise fee had not come from these committees. She acknowledged that these were her committee assignments and it was her job to report on the programming that they were developing. She supported the safe overnight parking program and her family was a host for one of these sites.

Councilor Stassens acknowledged that Councilor Drabkin had a very difficult job and had put in many hours. She was in support of all the work that was being done. Councilor Drabkin was a citizen that was volunteering her time and did not complain about it. Councilor Stassens reported on the last McMinnville Urban Renewal Advisory Committee (MURAC) meeting where they received a report from the Engineering and Aerospace Sciences Academy (EASA) about the sensors for the parking garage that would provide data about the use of the garage. They also talked about the Hidalgo Market application and Third Street Streetscape project.

Councilor Garvin shared that there would be a Yamhill Communications Agency (YCOM) meeting this week to adopt the budget. The Airport Commission was in the final stages of discussions with the Oregon International Air Show. There would be one last Kids on the Block (KOB) meeting.

Councilor Peralta stated that Yamhill County might be reconsidering joining the Tri-County Continuum of Care. He acknowledged James Vander Meide of Coastal Springs Water who provided free water for events around town.

Council President Menke stated that the Buildable Lands and Housing Needs Analysis work was almost completed. There was a Three Mile Lane meeting this week. Visit McMinnville shared the new tourism related businesses since 2015 that had come to McMinnville due to the destination marketing that had been done and she listed the businesses. Tourism dollars were working and it was exciting to see new businesses in town.

4.b. Department Head Reports

Police Chief Scales stated that there were six Park Rangers patrolling downtown this summer. There was information about the newly adopted Camping Ordinance on the City's website. He stated that there were community partners getting the word out as well. He acknowledged all of the support the Police Department had received from Councilor Drabkin.

Parks and Recreation Director Muir discussed the Parks and Recreation Survey and encouraged everyone to go to www.whatdoyouthinkmac.org to respond. They would be reporting back to the Council on July 17th with the results.

Planning Director Richards stated that there would be a public open house on the Buildable Lands and Housing Needs Analysis in July. There would be a public open house on the Three Mile Lane area plan on June 26th at Chemeketa Community College.

Human Resources Manager Bayer-Fertterer said staff was selecting the vendor for the Classification and Compensation Study. She gave an update on the Division Chief Training Officer recruitment and new McMinnville Economic Development Partnership (MEDP) intern.

City Attorney Koch stated that a new City prosecution team had been hired: Sam and Shannon Erskine. He explained that Municipal Court was held on Wednesdays.

City Manager Towery stated that there would be a future work session with the Council and Judge Kaufman regarding making improvements to the Municipal Court.

5. PUBLIC HEARINGS

5.a. Proposed Fiscal year 2019-2020 Budget as approved by the Budget Committee

Council President Menke opened the public hearing at 7:58 p.m.

Staff Report: Finance Director Baragary stated that on May 15th the Budget Committee approved the 2019-2020 Fiscal Year Budget. The notice of this budget hearing and financial summary had been published as required on May 28th and it was also posted on the City's website.

Councilor Drabkin stated that there had been some discussion about designating the 30 percent of the Transient Lodging Tax (TLT) the City already received for housing initiatives.

City Manager Towery stated that he had a slide presentation regarding the TLT funds.

City Manager Towery gave a context of this issue in relation to the Council Priorities addressing increasing workforce housing, camping within the community's quality of life standards, and ensuring diverse and affordable housing options. Some Council Priority Action Items were to strategically participate in local and regional partnerships, right-size services and address insufficient resources by finding new sustainable funding sources, and creating a Housing Strategy that would be renewed every 10 years. On May 28th the Council enacted a Wastewater Franchise Fee with the intent to provide stimulus funds for projects and services for the homeless. It would generate about \$500,000 into the General Fund and was not currently allocated for expenditure. There was also discussion regarding the potential connection between the Transient Lodging Tax and support for affordable housing initiatives. The City currently received about \$375,000 in TLT which was allocated to existing General Fund services. There were other revenue sources to be evaluated and considered. Currently the TLT was shared among the Police fund at \$137,063 (36.3%), Fire fund at \$61,470 (16.3%), Park and Recreation fund at \$47,713 (12.7%), and other funds at \$130,953 (34.7%).

The Affordable Housing Task Force recommendations for expenditure options were:

- Leverage for gap financing for affordable housing projects.
- Annual Competitive process for affordable housing development projects.
- Support private development of affordable housing.
- Land banking.
- Fund Regional Homeless Coordinator.

Councilor Drabkin stated that the job of the Affordable Housing Task Force was to address housing at 0-120% of median family income. It was a broad look at creating more housing in McMinnville. It was not specific to those earning 0%. The City of Newberg had approved funds for a Regional Homeless Coordinator and McMinnville had been partnering with them and the Housing Authority to fund that position. They currently had a grant into Meyer Memorial Trust to help with funds. The Housing Authority would be available to house that position.

Council President Menke stated that there was a need to be able to help non-profits if they were providing administrative services for the City in the form of case workers.

The Executive Team identified potential costs to recent City actions:

- Vehicle Towing/ Storage.
- Facility Costs (i.e. restrooms, garbage, enforcement, clean-up).
- Storage of belongings.
- Legal defense.

Additional Options:

- Support or expansion of existing General Fund Services.
- Stabilizing the General Fund Reserve.
- Address Capital Improvement Needs (Facilities).

City Manager Towery said regarding facilities needs, there were 20 year unmet capital needs for facilities that were used for General Fund activities of about \$34 million. The additional \$500,000 from the franchise fee would generate one-third of the immediate needs that were identified. Regarding the General Fund reserve, based on the 19-20 Budget he was predicting a reserve of 13.6 percent. The estimated ending fund balance for 18-19 would be closer to 25 percent rather than the 21 percent that the Budget Committee saw which would translate to 16.7 percent for the ending fund balance in 19-20. If they identified all of the \$500,000 from the franchise fee to support the General Fund Reserve it would bump the 19-20 reserve to 18.5 percent and would be 16.3 percent reserve the next year. If the \$375,000 transient lodging tax (TLT) was to be dedicated to new programs for affordable housing and they used the \$500,000 franchise fee to supplant that revenue in the General Fund and dedicate the balance to the General Fund Reserve, they would be looking at a 16.9 percent General Fund ending fund balance in 19-20 and 13.4 percent in 20-21. If they dedicated all \$500,000 to additional revenue programs, there would be a 16.4 percent General Fund Reserve in 19-20 and 12.5 percent in 20-21.

Public Testimony:

Brad Bassitt, asked about the potential costs of recent City actions, such as for restrooms and garbage.

City Manager Towery responded that there might be additional impacts to facilities where camping was allowed, such as in parks or downtown buildings. They did not know exactly where those impacts would occur.

Council President Menke closed the public hearing at 8:18 p.m.

Council Deliberation: Councilor Garvin stated that there was discussion about collaborating with Newberg on a Regional Homeless Coordinator. He asked how much that position would cost.

Councilor Drabkin explained the position had been outlined, but was still in the development stage. The hope was that it would reduce redundancy and map services. They had not identified a specific pay scale for the position. They needed a person at the forefront collecting and disseminating information.

Councilor Garvin thought 10% of the 30% of the TLT dollars that went into the General Fund should be allocated to affordable housing and to backfill that amount with the franchise fee and set the rest aside for reserves. It would slow down the rapidly depleting reserve that they had been spending down for a number of years. The Affordable Housing Task Force could leverage the funds for projects.

Councilor Drabkin noted that the City of Newberg identified \$140,000 for the Regional Homeless Coordinator.

City Manager Towery noted that the budget would not be adopted tonight. If they had scenarios that they would like brought forward to the next Council meeting, they would be brought back along with the budget for adoption.

Councilor Garvin stated as tourism rose, vacation home rentals came on board and entry level apartments were refurbished and became flats for tourism. This harmed housing. As tourism increased, dollars for affordable housing should also be increased. There were other impacts of tourism on all City departments and there should still be TLT funds allocated to the General Fund. He felt that putting the rest of the \$500,000 in reserves would help with the goal to increase reserves by the end of the year.

Councilor Drabkin agreed that the departments currently receiving dollars from the TLT shouldn't be losing money from their budgets. She thought they would be able to backfill those dollars with the franchise fee. She would like a real budget to work with in affordable housing. Funding would allow them to make larger strides. The City was in a difficult place as they did not have additional buildable lands, could not add substantially to the tax base, and there were a lot of financial needs to address. She thought all of the TLT dollars that currently went to the General Fund should be given to the Affordable Housing Task Force to make a substantive difference.

Councilor Geary was interested in dedicating half of the TLT funds in the General fund to affordable housing and half for a tourism related facility. He thought that 100 percent of the \$500,000 franchise fee should go to reserves.

Councilor Stassens liked the idea of dedicating a portion of the TLT dollars to affordable housing so that a significant impact could be made. She thought they should backfill whatever was taken from other departments with the franchise fee and the remainder of the franchise fee should go to the reserves. She would like more data about what would be a reasonable amount of TLT funds to go to affordable housing.

Council President Menke would like to see \$250,000 allocated to affordable housing needs. These needs included the coordinator position, contingency funds to stimulate or help non-profit programs, and land banking.

Councilor Peralta stated that his concern was that he was expecting a loss of service in the future particularly in 2022. There needed to be funds allocated to affordable housing and particularly increased enforcement of the new camping ordinance. He agreed with the \$250,000 range with some of the funds being dedicated to enforcement.

Council President Menke stated that in the fall other revenue sources would be discussed and this would not be the only possibility for funding.

City Manager Towery stated City staff was working on a three year plan to stabilize the reserves. The decision on the budget and these funds would be made at the next Council meeting and would set the context for that work.

Councilor Peralta would generally be more favorable if he knew exactly where the funds were going.

Councilor Garvin asked how Councilor Geary anticipated backfilling the General Fund for the TLT dollars or did he recommend not backfilling it and it would be budget cuts for those departments?

Councilor Geary was open to backfilling the departments with the franchise fee.

Councilor Garvin would not want to dedicate more than 15% of the TLT funds or \$188,000 to the Affordable Housing Task Force. If a strong project came forward, he would be open to dedicating more. The 15% would give the Task Force a dependable source of revenue that they could use year after year.

Councilor Drabkin stated that if Council decided on anything less than 100 percent, perhaps they could allocate 50 percent of the current TLT dollars and any additional TLT dollars in the future could come to the Task Force as well.

Councilor Stassens stated that whatever was approved also needed to have funds dedicated to handle the effects of the decision.

City Manager Towery stated that the budget was a one year spending plan and that there was flexibility as needs changed. If there was a need to deal with an issue, the City would find a way to do that. What Council would decide on at the next meeting would be the spending plan for the next year and if a high priority project or significant need emerged, staff would come back to Council with potential solutions.

- 5.b. Proposed Uses of State Revenue Sharing for Fiscal Year 2019-2020 as approved by the Budget Committee.

Council President Menke opened the public hearing at 8:46 p.m. and read the hearing statement.

Staff Report: Finance Director Baragary stated that a resolution must be passed and public hearings must be held to receive state revenue sharing funds. This was discretionary money.

There were no public comments.

Council President Menke closed the public hearing at 8:48 p.m.

- 5.c. Renewal of the Downtown Economic Improvement District (EID)

Council President Menke opened the public hearing at 8:49 p.m.

Staff Report: City Manager Towery said the City established an EID to support development in downtown about 33 years ago. State law set out how an EID could be renewed. The current EID would expire at the end of July. Notices were sent to all affected property owners.

Public Testimony: Jenny Berg, McMinnville resident and McMinnville Downtown Association (MDA) Board President, said the funding had been requested by the MDA to continue for another three years to support the work they did in downtown. It was a significant source of funding for the MDA and they leveraged that funding to create more funds through the Farmers Market, Concerts on the Plaza, UFO Festival, Christmas lights, Santa Parade and tree lighting, Halloween, Spring Fling, gift card program, banners, and partnership in the Park Rangers program. The funding from events and memberships went to fund many other activities downtown. The EID was foundational funding that allowed the MDA to do this work. The MDA Board had been in conversations with property owners in the last couple of weeks. They had renewed excitement and interest in engaging with property owners as well as members. They

needed three property owners on the MDA Board as stated in their bylaws but they would be looking specifically towards the large property owners to make sure that they had representation and would reinstitute quarterly meetings. They wanted to make sure that the MDA was able to manage the changes in the community and continue to make the downtown a great place to visit, to live, and for locals to spend their time. She thanked the supporters in the audience. She thought they were headed in a good direction.

Jeb Bladine, downtown property owner and business owner, was not in opposition but opposed the status quo treatment of the EID. It was time to look at it differently. More recently the EID had become more complex as there were more players, overlapping economic development projects, new regulations on downtown properties, and a different mix of businesses. When the EID process was first introduced, a cohesive, tight group of people embraced it and were able to carry out many things in partnership with the City. He handed out a map which showed that they had surrounded the EID with an expansive Urban Renewal District that had created a broader economic development process and many more regulations. All had a huge impact on the complexity of an economic improvement process. He was not questioning the EID renewal, but he wanted to know if the City had a vision for the EID and if the MDA was adequately representing the property owners who were paying the EID. It was more complex and difficult to figure out what the MDA's role was as it related to economic development initiatives. If there was a facilitator process, he hoped that the City would consider helping finance that, perhaps through Urban Renewal. Without a strong MDA and clear goals, they risked having the downtown go downhill. He urged Council to look at it on a broader scale and think about how to move forward in the right way.

Dave Haugeberg, McMinnville resident and business owner, thought that it was critically important to look at what had been done in the past and the results that were achieved and if it had the trajectory they wanted to make for their community. He thought they should continue the journey and to continue the incredibly unique partnership. It was very special and he thanked the City for being the facilitator.

Walt Gowell, McMinnville resident and property owner, stated that he benefitted from the EID that was used to help manage downtown. Downtown was busy, healthy, and vibrant which was a testament to the success of the MDA. The MDA had been the spine of the downtown movement and the EID was the backbone of the MDA and he hoped they would continue to extend the EID for another 3 years. The MDA was an investment in management and vision. The downtown was a dynamic thing and over the next several years there might be a larger map and a larger number of businesses that might want to be included. He hoped that the Council would continue the EID and allow the MDA to continue managing a very successful downtown.

Steve Rupp, McMinnville resident, said the public art program in McMinnville was born through the MDA. Without the MDA he would never have gotten involved. He asked Council to keep downtown growing and not to let it die.

Jeff Knapp, Visit McMinnville Executive Director, said there would be no Visit McMinnville without the MDA. He thought downtown was the crown jewel of the City. There was a lot of work left to do and he encouraged Council to continue the EID.

Council President Menke closed the public hearing at 9:09 p.m.

5.d. Housing Rehabilitation Community Development Block Grant Application.

Council President Menke opened the public hearing at 9:09 p.m.

Staff Report: Planning Director Richards said this was a collaborative application for a state grant for \$500,000 to help with housing rehabilitation of manufactured homes in the City. It was a partnership between the City and Housing Authority. The program had been around since the 1980s and was a grant program to help bring manufactured homes up to code, stabilize home conditions, and make them habitable and accessible. There were 177 applications on a waitlist and there were 126 families located in McMinnville. The Housing Needs Analysis had just been completed and they had over 1,100 manufactured homes in the City which was about 15 percent of the City's single family dwelling unit stock. It was an important housing product for the City as it was an affordable housing product and because of land supply constraints it was a vulnerable housing product.

Planning Director Richards read the follow statement as part of the grant requirement:

The City of McMinnville is eligible to apply for a 2019 CDBG from the Oregon Business Development Department. CDBG funds come from the U.S. Department of Housing and Urban Development. The grants can be used for public facilities and housing improvements for persons with low and moderate incomes.

The purpose of this hearing is for the City Council of McMinnville to obtain citizen views and to respond to questions and comments about: community development and housing needs, especially the needs of low and moderate income persons, as well as other needs in the community that might be assisted with CDBG funds, and the proposed project.

Project Details

1. Approximately \$12 Million in CDBG funds will be awarded to Oregon non-metropolitan cities and counties in 2019. The maximum grant a city or county can receive is \$2,500,000 for infrastructure projects. The maximum amount a city can receive for housing rehabilitation projects is \$500,000. If the City of McMinnville is awarded a 2019 Housing Rehabilitation CDBG, it would make up to \$500,000.00 available during fiscal years 2019 thru 2021.

2. The range of activities that may be carried out with these funds includes but is not limited to:

- A. Lead and asbestos testing, treatment, and abatement.
- B. Inspections, assessments, repairs and replacements of: private septic tanks, drain fields, water lines, sewer lines, and wells.
- C. Improvements necessary to meet the needs of persons with disabilities, or reasonable accommodation requests.

- D. Improvements to upgrade substandard: electrical, plumbing, roofing, siding, insulation, windows and doors, heating systems, hot water heaters, dry rot repairs, and weatherization.
- E. Purchase and installation of permanent fixtures such as: light fixtures, and built in appliances.
- F. Grant Administration and Management.

3. It is estimated that the project would benefit at least 120 persons, of whom 100% will be low or moderate income.

4. The proposed activities of this project is not likely to result in the displacement of any persons or businesses. If Displacement becomes necessary, alternatives will be examined to minimize the displacement and provide required/reasonable benefits to those displaced. Any low and moderate income housing which is demolished or converted to another use will be replaced.

Councilor Stassens asked how much this would add to Planning Director Richards' work load.

Planning Director Richards answered the grant administration and management of funds would be done by the Housing Authority. She would work with the Housing Authority to certify and approve the projects. She did not think it would add a lot to her work load.

There were no public comments.

Council President Menke closed the public hearing at 9:16 p.m.

Council President Menke recessed the meeting at 9:16 p.m. and reconvened at 9:24 p.m.

6. ORDINANCE

- 6.a. Consider first reading with possible second reading of **Ordinance No. 5071**: An Ordinance extending the duration of the McMinnville Downtown Economic Improvement Assessment District.

No Councilor present requested that the Ordinance be read in full.

City Attorney Koch read by title only Ordinance No. 5071 extending the duration of the McMinnville Downtown Economic Improvement Assessment District.

City Manager Towery said the ordinance would extend the pre-existing downtown EID. There was testimony tonight in favor and staff recommended adoption of the ordinance.

Councilor Garvin was in favor of extending the EID for another three years. Within that three years there should be a discussion regarding the vision for the EID dollars and how MDA could align with that vision.

Councilor Peralta was in support as well. He thought it sounded like the MDA might benefit from more engagement with their members.

Councilor Geary was a big fan and in support. He thought they should focus on the cultural, economic, and historic character of downtown.

Councilor Drabkin said the downtown district was often referred to as McMinnville's living room and it was the MDA that brought the City to that place. There was a great opportunity for the MDA to forge and engage property and business owners and to refresh and more clearly define their mission. She was also curious about the relationships between the MDA, Chamber, and Visit McMinnville and if there was any overlap in those missions and if there was overlap it would be good to know how they were combining their efforts and resources. The MDA was crucial in creating the downtown they had and she looked forward to the future.

Councilor Stassens was in support of the EID. The MDA played a critical part in what downtown was today. She thought the MDA should be involving property owners going forward. There was an MDA representative on MURAC and they helped inform the work that was happening particularly on Third Street. The connection the City had with the MDA was amazingly valuable for the work they were doing in the Urban Renewal District.

Council President Menke was also in strong support of continuing the EID.

Councilor Geary MOVED to pass **Ordinance No. 5071** to a second reading; SECONDED by Councilor Garvin. Motion PASSED unanimously.

City Attorney Koch read by title only for a second time Ordinance No. 5071.

Councilor Peralta MOVED to approve **Ordinance No. 5071** extending the duration of the McMinnville Downtown Economic Improvement Assessment District; SECONDED by Councilor Geary. Ordinance No. 5071 PASSED 6-0 by roll-call vote.

7. RESOLUTIONS

- 7.a. Consider **Resolution No. 2019-36**: A Resolution to submit an application for a McMinnville 2019 Housing Rehabilitation Community Development Block Grant (CDBG) to the Oregon Business Development Department (OBDD), and appointing Planning Director, Heather Richards, as both the project and environmental review certifying officer.

Councilor Stassens was in favor of the resolution. There was a need in the community and she appreciated it was being recognized. It would be a great thing to leverage and improve citizens' lives as long as there was no significant impact to staff's work load.

Councilor Drabkin was in full support as it would help keep people in the homes they were already in.

Councilor Geary was also in support.

Councilor Peralta stated that there were a lot of manufactured homes in his ward that were in need of rehabilitation. He appreciated staff finding this grant funding.

Councilor Garvin was also in support as his ward also had a lot of manufactured housing.

Council President Menke was in favor as well.

Councilor Drabkin MOVED to adopt **Resolution No. 2019-36** submitting an application for a McMinnville 2019 Housing Rehabilitation Community Development Block Grant (CDBG) to the Oregon Business Development Department (OBDD), and appointing Planning Director, Heather Richards, as both the project and environmental review certifying officer; SECONDED by Councilor Peralta. Motion PASSED unanimously.

- 7.b. Consider **Resolution No. 2019-37**: A Resolution approving a collection rate adjustment not to exceed 5% for Recology, Inc.

City Manager Towery said on November 28, 2017, the City Council adopted Resolution No. 2017-69, which authorized Recology Inc., the City's exclusive franchisee for the collection of solid waste, to make an out-of-calendar rate adjustment of 10%, related to the diversion of solid waste away from the Riverbend landfill in Yamhill County. The Resolution included a provision that "no further rate adjustments shall be submitted with an effective date prior to July 1, 2019." Since the passage of Resolution 2017-69, there had been significant and unforeseen disruptions in the global recycling markets that had substantially increased the costs for Recology to handle and process recycled materials. For example, the value for mixed recycling had transitioned from a positive value of \$10/ton to a negative value of \$70/ton. Although rates had now stabilized, the "new normal" had resulted in rate surcharges in more than 34 surrounding communities in the past year. On October 8, 2018, Recology submitted a formal request to the City for consideration of an out-of-calendar rate adjustment of 10.47%, to be effective January 1, 2019, which included a 5.70% adjustment related to unanticipated increased costs of handling recycling materials, and a 4.77% rate increase related to cost-of-living increases. Recology's request was presented to the Council during its work session on November 13, 2018. After reviewing the request, the Council found that a portion of the Recology proposal was reasonable and in the public interest to be effective January 1, 2019, and that the remainder of the request would be considered following an appropriate rate review study. That study had been conducted by Merina and Company, the City's auditor, from March to May of this year. Some of the data of the study was not subject to public disclosure as they were trade secrets and/or business records. A summary report had been submitted that night. The resolution identified a collection rate adjustment not to exceed 5 percent for Recology, Inc.

Councilor Stassens and Councilor Garvin both asked for an update on how the new Styrofoam program was rolling out.

Councilor Peralta was satisfied with the report from Merina and Company indicating the need for the increase. Recology was an excellent partner for the City and he looked forward to continue to work with them.

Councilor Garvin was concerned about the testimony from Mark Davis about the need for transparency.

Carl Peters, Recology, stated that 2.83 tons of Styrofoam had been collected. It was quite a lot from a volume standpoint. He understood the concerns and passion in the

community about Styrofoam. He thought they would collect more, but it was an indication that there was not as much Styrofoam out there.

Councilor Garvin asked if there was a calculation that a ton equaled so many cubic feet of Styrofoam. Mr. Peters said about 40 yards of Styrofoam was equal to 500 pounds. The Styrofoam was going to Tigard and being remade into other Styrofoam.

Councilor Drabkin asked if there was a reason why Styrofoam was separated from the rest of the recycling. Mr. Peters stated that they wanted to make sure that it was managed right, kept clean, and it took up a lot of space. They wanted to make sure that it met the standards, which was why it was a drop off program.

Councilor Dabkin asked if there was any reason to not be collecting number 6 plastics as well. Mr. Peters responded that the logistics of trying to figure out what material was number 6 plastics was confusing. He wanted to get this part down first and then look at adding additional materials.

Councilor Geary asked if there was a way to quantify Recology's contributions to community events. Mr. Peters responded that last year they had contributed in-kind, cash, or time to over 125 organizations in the greater McMinnville area.

Councilor Stassens asked what education had been done with all of the changes in recycling. Mr. Peters stated that they were starting an initiative called whatbin.com. They were also working on education in the schools.

Councilor Peralta MOVED to adopt **Resolution No. 2019-37** approving a collection rate adjustment not to exceed 5% for Recology, Inc.; SECONDED by Councilor Garvin. Motion PASSED unanimously.

- 7.c. Consider **Resolution No. 2019-38**: A Resolution awarding the contract for the 2019 Slurry Seal, Project 2019-5.

Community Development Director Bisset referred the Council to the staff report which outlined the bid opening and proposed contract for the summer slurry seal project to Pave NW, Inc. in the amount of \$116,495.22. Notices would go out to the surrounding neighborhoods about the project.

Councilor Garvin MOVED to adopt **Resolution No. 2019-38** awarding the contract for the 2019 Slurry Seal, Project 2019-5; SECONDED by Councilor Stassens. Motion PASSED unanimously.

- 7.d. Consider **Resolution No. 2019-39**: A Resolution accepting the transfer of jurisdiction of a portion of Old Sheridan Road within the City of McMinnville.

Community Development Director Bisset stated the Old Sheridan Road corridor project was the last project in the 2014 voter approved Transportation Bond. It was under County jurisdiction and they were asking for transfer of that jurisdiction to the City which would allow the City to design and upgrade the corridor to City standards and would simplify the process to acquire the needed right-of-way and easements. The project was on track for planned construction in the next calendar year. There would be public outreach and

open houses this summer. The jurisdiction transfer would keep the project moving forward.

Councilor Stassens MOVED to adopt **Resolution No. 2019-39** accepting the transfer of jurisdiction of a portion of Old Sheridan Road within the City of McMinnville; SECONDED by Councilor Geary. Motion PASSED unanimously.

8. INVITATION TO CITIZENS FOR PUBLIC COMMENT: Council President Menke invited the public to comment.

There was no public testimony.

9. ADJOURNMENT: Council President Menke adjourned the Regular City Council Meeting at 9:57 p.m.

s/s Melissa Bisset
Melissa Bisset, City Recorder