

CITY OF MCMINNVILLE  
MINUTES OF DINNER MEETING of the McMinnville City Council  
Held in the Conference Room at the Civic Hall on Gormley Plaza  
McMinnville, Oregon

Tuesday, February 12, 2013 at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present

Scott Hill	Kellie Menke
Kevin Jeffries	Alan Ruden
Paul May	Larry Yoder

Also present were City Manager Kent L. Taylor, City Attorney Candace A. Haines, Community Development Director Mike Bisset, Finance Director Marcia Baragary, Consultant Bob Wells from Wells Consulting, Wastewater Services Manager Dave Gehring, and a member of the news media, Nicole Montesano of the News Register.

DINNER

CALL TO ORDER: Mayor Olson called the Dinner Meeting to order at 6:25 p.m. and welcomed Bob Wells, from Wells Consulting.

MID-YEAR FINANCIAL REVIEW: Finance Director Baragary and Consultant Bob Wells answered questions from the Council regarding their analysis of the City's financial picture for the present and into the future. Mr. Wells agreed that it would be very important to move forward with a game plan and it looked to him that the 2014 - 2015 Budget Year might be the time to ask the citizens to approve a bond levy. He extended his compliments to the staff and advised that the forecast model was, in his estimation, more important than the Budget. He noted that the forecast gives the Council the ability to make policy decisions.

In response to a question posed by Councilor Hill regarding piggybacking a bond levy and the urban renewal proposal, City Manager Taylor cautioned that it was important to keep the urban renewal project separate from a bond levy request because putting the two together could be confusing to the voters.

WASTEWATER FINANCIAL PLAN UPDATE RESULTS REVIEW: Community Development Director Bisset gave a brief report and stated that Deb Galardi, Galardi Rothstein Group, would be in attendance at the Council's Regular Meeting, to answer any questions the Council might have.

RESOLUTIONS: Mayor Olson noted that there were three resolutions before the City Council. Finance Director Baragary spoke about the resolution adopting certain budgetary transfers and explained that the transfers were necessary because of the Library's Lanouette trust fund to the Library Foundation and the command vehicle recently purchased for use by the Fire Department had costs associated with it that were higher than first budgeted.

Community Development Director Bisset stated that an application had been received requesting that the City initiate the proceedings to vacate a portion of Walnut Street between Cedarwood Avenue and Drumwood Avenue. The proposed resolution would set a date and time for a formal public hearing on the request.

WATER RECLAMATION FACILITY PROFESSIONAL SERVICES CONTRACT: Community Development Director Bisset related that CH2M Hill representative Lynn Chicoine would be in attendance at the Council's Regular Meeting to answer any of the Council's questions regarding the Water Reclamation Facility expansion and the related contract for professional services. Mr. Bisset noted that the City had used the state-mandated Qualification Based Selection (QBS) process for selecting the consultants for the project.

SECURITY OVERVIEW: Police Captain Dennis Marks gave a brief overview of the new security features in the Civic Hall.

ADJOURNMENT: Mayor Olson adjourned the meeting at 6:55 p.m.

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Rose A. Lorenzen, Recording Secretary

CITY OF McMINNVILLE  
MINUTES OF REGULAR MEETING of the McMinnville City Council  
Held at the Civic Hall on Gormley Plaza  
McMinnville, Oregon

Tuesday, February 12, 2013 at 7:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present

Scott Hill	Kellie Menke
Kevin Jeffries	Alan Ruden
Paul May	Larry Yoder

Also present were City Manager Kent L. Taylor, City Attorney Candace A. Haines, Community Development Director Mike Bisset, Finance Director Marcia Baragary, Consultant Bob Wells from Wells Consulting, Wastewater Services Manager Dave Gehring, Water Reclamation Facility Operations Superintendent Leland Koester, Engineering Manager Rich Spofford, and a member of the news media, Nicole Montesano of the News Register.

AGENDA ITEM

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

PLEDGE OF ALLEGIANCE: Councilor May led in the Pledge of Allegiance.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Olson asked if there were any audience members interested in speaking about an item not on the evening's agenda. No comments were heard.

OATH OF OFFICE: City Attorney Haines administered the Oath of Office to Councilor Yoder.

CONSIDER MINUTES: Councilor Hill MOVED to approve the minutes of the January 8, 2013 Dinner and Regular Meetings; SECONDED by Councilor Menke. Motioned PASSED unanimously.

I

NEW BUSINESS

I-A

MID-YEAR FINANCIAL REVIEW AND UPDATED GENERAL FUND FORECAST: Mayor Olson welcomed Bob Wells, of Wells Consulting in Salem. Finance Director Baragary noted that the City had retained Mr. Wells to review the mid-year financial forecast and the General Fund balances.

Mr. Wells thanked the Mayor and City Council and advised that in 2008, with the recession, the City began its three-year forecasting model. When the forecast was completed in 2010, it showed that if the City had continued its then current spending pattern, this year's forecast would have looked very different; however, because of significant expenditure reductions, he believed that the General Fund was healthy. During the 2009 - 2010 budget year, the City spent nearly a million dollars more than was brought in, yet the course was corrected and those funds have nearly been recovered. He advised that in the future cuts will need to be made or a local option levy will need to be passed by the citizens of McMinnville. That could occur during the 2014 - 2015 budget year. At that time, reserves would be drawn down to approximately 27 percent. He congratulated the staff and advised that because of the City's strong financial situation, there is time to consider and map a plan. He cautioned that the City will need to continue to keep its spending reductions in place. Mr. Wells noted for the record that he teaches budgeting classes for the League of Oregon Cities and McMinnville is doing everything right.

Councilor Hill thanked Mr. Wells for his insights and his ability to work well with staff. He also recognized Budget Committee members Brad Lunt and Bob Dodge who were in the audience. The Mayor and each of the other Councilors thanked Mr. Wells for his services.

I-B

WASTEWATER FINANCIAL PLAN UPDATE RESULTS REVIEW: Community Development Director Bisset reminded the City Council that when the Wastewater Financial Plan was adopted, it was determined that staff would review the model every two years. He introduced Deb Galardi of the Galardi Rothstein Group who was in attendance to update the Council on the Plan. Mr. Bisset advised that at a future Council meeting an appropriate rate resolution would be brought forward for adoption.

Ms. Galardi thanked the Mayor and City Council for the opportunity to speak to them about the Wastewater Services' financial plan. She advised that the 10-year financial forecast for the Wastewater Fund determines the overall annual revenue needed to operate the system. She advised that the forecast shows that a 2.8 percent revenue increase is needed. She spoke about the process involved that helped consultants and staff determine that the bottom line established in 2010 still applies and the 2.8 percent revenue increase continues to be applicable and meets policy direction. She pointed out that there has been downward pressure on water consumption and the industrial customer base which also reduces revenues. She complimented staff and the Council and stated that the City is following its best practices by completing this type of rate review regularly. She stated that they were projecting a 2.8 percent annual rate increase over the next 10 years unless it becomes necessary to do otherwise.

Following a brief question and answer period, City Manager Taylor advised that next year the City will be debt-free from the construction of the Water Reclamation Facility and because of responsible adjustments, the City's rates are now in the middle of the rates for surrounding communities.

Mark Davis, 652 SE Washington, stated that he had spoken on this subject many times and he felt that the assumptions were quite reasonable. He noted that he believed that it was more important to raise rates on the volume side because it would encourage conservation; however, he could not argue against the model. He encouraged the City to stick to the Plan even though it is always hard to raise rates.

Councilor Menke MOVED to approve the Financial Plan Update as presented; SECONDED by Councilor Jeffries. Motion PASSED unanimously.

III

### RESOLUTIONS

III-A

MAKING CERTAIN BUDGETARY TRANSFERS FOR FISCAL YEAR 2012 - 2013: City Manager Taylor reminded the City Council that Finance Director Baragary had reviewed the proposed resolution at the Dinner Meeting and that the budget transfers related to the Lanouette Foundation funds for the

Library and the purchase of a new command vehicle and equipment.

Councilor Jeffries MOVED to adopt Resolution No. 2013-1 making certain budgetary transfers for fiscal year 2012 - 2013; SECONDED by Councilor Menke. Motion PASSED unanimously.

III-B

INITIATING THE PROCEEDINGS AND SETTING A DATE AND TIME FOR A PUBLIC HEARING TO VACATE A PORTION OF WALNUT STREET BETWEEN CEDARWOOD AVENUE AND DRUMWOOD AVENUE (RV 1-12): Community Development Director Bisset referred to his memorandum and the application for vacation in the Council's packet and stated that staff recommends adoption of the proposed resolution. He noted that the public hearing would be set for February 26, 2013 at 7:00 p.m. during the Council's Regular Meeting.

Councilor Menke MOVED to adopt Resolution No. 2013-2 initiating the proceedings and setting a date and time for a public hearing to vacate a portion of Walnut Street between Cedarwood Avenue and Drumwood Avenue (RV 1-12); SECONDED by Councilor Ruden. Motion PASSED unanimously.

III-C

AWARDING THE CONTRACT FOR PROFESSIONAL SERVICES FOR THE WATER RECLAMATION FACILITY EXPANSION, PROJECT NO. 2012-9: Community Development Director Bisset referred to the memorandum on this topic in the Council packets. He introduced Wastewater Services Manager Dave Gehring, Water Reclamation Facility Operations Superintendent Leland Koester, and Engineering Services Manager Rich Spofford. He noted that Mr. Spofford had been with the City for 13 years and would serve as the lead staff member for the project.

Ms. Bisset advised that following a Qualification Based Selection (QBS) process to select the consultant for professional architectural and engineering services, it was the consensus of the selection committee that CH2M Hill's proposal was more detailed regarding several of the Request for Proposal (RFP) elements. Additionally, CH2M Hill had notably more experience with the Facility's secondary treatment processes and staff is familiar with CH2M Hill's proposed project staffing. He noted that CH2M Hill's representative Lynn Chicoine was in attendance to answer any questions that the Council might have regarding the project.

Following a brief Council discussion, Councilor Ruden MOVED to adopt Resolution No. 2013-3 awarding the contract for Professional Services for the Water Reclamation Facility Expansion, Project No. 2012-9; SECONDED by Councilor May. Motion PASSED unanimously.

City Manager Taylor publicly recognized the efforts of Mr. Gehring and Mr. Koester. He noted that both have been with the City through the whole change period and they have come

up through the ranks. They are now in management positions and both thoroughly understand the process.

IV

ADVICE / INFORMATION ITEMS

IV-A

REPORTS FROM COUNCILORS ON COMMITTEE AND BOARD ASSIGNMENTS:  
Each of the City Councilors gave a brief report.

IV-B

DEPARTMENT HEAD REPORTS: Each department head present gave a brief report.

IV

ADJOURNMENT: Mayor Olson adjourned the meeting at 8:00 p.m.

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Rose A. Lorenzen, Recording Secretary