



City Council Meeting Agenda
Tuesday, April 08, 2025
7:00 p.m. – City Council Regular Meeting

Welcome! The public is strongly encouraged to participate remotely but there is seating at Civic Hall for those who are not able to participate remotely. However, if you are not feeling well, please stay home and take care of yourself.

The public is strongly encouraged to relay concerns and comments to the Council in one of four ways:

- Attend in person and fill out a public comment card
- Email at any time up to **noon on Monday, April 7th** to CityRecorderTeam@mcminnvilleoregon.gov
- If appearing via telephone or ZOOM, please sign up prior by **noon on Monday, April 7th** by emailing the City Recorder at CityRecorderTeam@mcminnvilleoregon.gov as the chat function is not available when calling in Zoom; **You will need to provide the City Recorder with your First and Last name, Address, and contact information (email or phone) for a public comment card.**

*You can live broadcast the City Council Meeting on cable channels Xfinity 11 and 331,
Frontier 29 or webstream here:
mcm11.org/live*

CITY COUNCIL REGULAR MEETING:

You may join online via Zoom Webinar Meeting:

<https://mcminnvilleoregon.zoom.us/j/88198514698?pwd=WxGMCgyqzfkwp6zBmc490qCiMSb4o.1>

Or you can call in and listen via Zoom: 1-253- 215- 8782

Webinar ID: 881 9851 4698

7:00 PM – REGULAR COUNCIL MEETING – VIA ZOOM AND SEATING AT CIVIC HALL

1. CALL TO ORDER & ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. INVITATION TO COMMUNITY MEMBERS FOR PUBLIC COMMENT –
The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than: a matter in litigation, a quasi-judicial land use matter; or a matter scheduled for public hearing at some future date. The Mayor may limit comments to 4 minutes per person for a total of 32 minutes. The Mayor will read comments emailed to City Recorded and then call on anyone who has signed up to provide public comment.
4. PRESENTATION
 - a. McMinnville Water & Light (MW&L) Update Presentation from General Manager John C. Dietz
5. ADVICE/ INFORMATION ITEMS
 - a. Reports from Councilors on Committee & Board Assignments
 - b. Department Head Reports
 - c. December 2024, January 2025 & February 2025 Cash and Investment Report (in packet)
 - d. Council Meeting Schedule Discussion Continued
6. CONSENT AGENDA
 - a. Consider **Resolution No. 2025-10**: A Resolution awarding the contract for the Cypress and Fellows Paving Project 2024-10.

7. RESOLUTION

- a. Consider **Resolution No. 2025-11**: A Resolution establishing a Stormwater Utility Fund and Stormwater Capital Fund.

8. ADJOURNMENT OF REGULAR MEETING

From: [Zack Geary](#)
To: [Claudia Cisneros](#)
Subject: Fw: Input
Date: Wednesday, April 2, 2025 4:04:42 PM

From: Loretta M Johnson [REDACTED] >
Sent: Tuesday, April 1, 2025 12:36 PM
To: Mayor Kim Morris <Kim.Morris@mcminnvilleoregon.gov>
Cc: Sal.Peralta@mcminnvilleoregon.gov <Sal.Peralta@mcminnvilleoregon.gov>; Chris Chenoweth <Chris.Chenoweth@mcminnvilleoregon.gov>; Daniel Tucholsky <Daniel.Tucholsky@mcminnvilleoregon.gov>; Zack Geary <Zack.Geary@mcminnvilleoregon.gov>; Jessica Payne <Jessica.Payne@mcminnvilleoregon.gov>; Scott Cunningham <Scott.Cunningham@mcminnvilleoregon.gov>
Subject: Input

This message originated outside of the City of McMinnville.

I am not sure how to go about giving my input on a couple things that were discussed in the last meeting I watched online so I will email and hope this gets to each of you..

First, the purchasing of laptop computers: if this is being done in order for people to work from home, I strongly object to this unnecessary spending of money which leads me to my next comment. Second, no more working from home except for extenuating circumstances which I know is part of life. In the absence of those situations, I would ask that anyone working from home be immediately directed to return to work in office.

Third, and this one is a stretch and likely impossible but in response to the mammoth drain on our funds that PERS continues to be with no apparent legal way to stop this, I would be in favor of some kind of change where people getting this future gigantic retirement benefit, that instead of these folks getting raises and increases in benefits for example health insurance coverage, that somehow the money for those things be taken from these future funds. I am not an accountant and have no idea if this is even possible but there must be some way to stop this bleed that PERS exacts on our county. Thank you for your time and for your work for our community.

Loretta Johnson

[REDACTED]
McMinnville, Or. 97128

[REDACTED]

Proposal: Stop the Noise - McMinnville

Date: March 11, 2025

(Originally proposed on June 14, 2024, and again on September 10, 2024)

Introduction

- **Problem Statement:**
 - Loud cars and motorcycles are racing around town at all hours, using modified and illegal exhaust. These vehicles may be in violation of multiple laws and or ordinances.
- **Goal:**
 - Identify the laws/ordinances being broken and enforce them. If no laws apply, then work towards writing laws / ordinances.

City Leadership & Collaboration

- **City Council Champion:** Identify a specific council member to lead the effort.
- **Committee Formation:** If necessary, establish a dedicated committee with stakeholders.
- **Law Enforcement Liaison:** Establish a point of contact within law enforcement to address:
 - **Legal Assessment:** Identification of relevant laws and ordinances.
 - **Enforcement Gaps:** Reasons for lack of enforcement (resource limitations, technology, etc.).
 - **Enforcement Solutions:** Potential strategies (increased patrols, technology upgrades, etc.).
 - **Reporting Mechanism:** Establish the best way for citizens to report noise violations.

Action Plan

- **Plan Development:**
 - If applicable, Create a committee
 - Create a plan with committee
 - Follow up with the people of McMinnville
 - What specific laws, if any, are being broken?
 - If laws are being broken, then why are they not enforced?
 - If being broken, then what will it take to enforce the laws?
 - More Technology
 - More Police Officers
 - What is the best way to inform Law Enforcement when violations are occurring?

- Build a plan with all parties including the public where the goals are measurable and achievable in a timely manner.
- **Plan Publication:** Make the plan accessible to the public (website, community meetings).

Community Engagement

- **Public Communication:** Keep residents informed of progress and solicit their feedback.

Measurable Outcomes

- **Define Success:** Establish specific, quantifiable metrics to evaluate the plan's effectiveness (e.g., reduction in noise complaints, decibel level measurements).

Next Steps & Timeline

- **Immediate Actions:** Outline the first concrete steps to be taken.
- **Timeline:** Provide a realistic timeline for key milestones in the action plan.

Contact Information

- **City Council Champion (Name & Contact):**
- **Law Enforcement Liaison (Name & Contact):**

Additional Notes:

- **Call to Action:** Please help make McMinnville quiet again.

William Sykes

From

<https://mcminnville.municipal.codes/MMC/8.10.260>

Section D

4. Vehicle Noises. The use of any vehicle or engine, either stationary or moving, in a manner that causes or creates any loud or unnecessary grating, grinding, rattling or other noise, including the discharge in the open air of the exhaust of any steam engine, internal combustion engine, motor boat or motor vehicle except through a muffler or other device which will effectively prevent loud or explosive noises and the emission of annoying smoke;

Proof of Concept for Audio Camera Deployment

Audio Camera Vendor: Not-A-Loud-LLC

September 10, 2024

1. Objective:

- Evaluate the effectiveness of audio cameras in enhancing public safety and environmental monitoring within a defined area of McMinnville.

2. Device Description:

- The audio camera integrates:
 - High-quality video recording capabilities.
 - Multiple microphones for capturing audio from various directions.
 - Advanced audio processing algorithms for noise reduction and sound classification.
 - Secure data storage and transmission protocols.
 - *Integration capabilities with existing surveillance systems (if applicable).*

3. Test Location:

- A carefully selected public area (TBD) known for experiencing noise complaints, vandalism, or other safety concerns.
 - Test locations in McMinnville TBD.

4. Duration:

- The Proof of Concept will run for a period of 2-6 months to capture a variety of events and scenarios, including different times of day and days of the week.

5. Evaluation Metrics:

- Effectiveness of audio data in supporting law enforcement investigations (if applicable).
- Accuracy of audio classification algorithms in identifying specific sounds (e.g., gunshots, breaking glass, shouting).
- Operational and maintenance costs associated with the audio camera system.
- Ease of use.
- (Future) Reduction in reported noise complaints or incidents of vandalism/crime in the test area.
- (Future) Public perception of safety and privacy in the test area.

6. Data Collection and Analysis:

- Audio and video data will be collected and stored in compliance with privacy regulations.
- Access to the data will be restricted to authorized personnel.
- The City of McMinnville, in partnership with law enforcement and/or [Not-A-Loud LLC](#), will analyze the data to assess the impact of the audio cameras on public safety and other metrics.

7. Success Criteria:

- Effectiveness of audio data in supporting law enforcement investigations.
- Security of data.
- Ease of Use.
- Positive feedback from law enforcement and/or the public regarding the audio camera's contribution to noise enforcement..
- *(Future) Demonstration of the audio camera's potential to improve situational awareness and response times.*
- *(Future) Measurable reduction in noise complaints or incidents in the test area.*
- *(Future) Acceptable level of public acceptance and minimal privacy concerns.*

8. Next Steps:

- If successful, the City of McMinnville will consider expanding the deployment of audio cameras to other areas based on need and budget.
- The Proof of Concept results will inform the development of policies and procedures for the use of audio cameras, including data retention and access protocols.

Important Considerations:

- Data privacy and security measures must be robust and strictly enforced.
- Collaboration with law enforcement and legal counsel is crucial to ensure compliance with all applicable laws and regulations.

William Sykes



April 2025

MW&L Semi-Annual Update to City



3-Day Wind Event- February 23-25, 2025



Crews worked through the storm on scattered outages on Peavine Rd., High Heaven Rd, Westside Rd., Cruickshank Rd., Hill Rd, among others.

3-Day Wind Event- February 23-25, 2025



Fallen tree along lower Peavine Rd. caused outage to approx. 1,100 customers. Crews were able to re-route power and had customers back on in approx. 2.5 hours while repairs continued.



Project Update

Peavine Road Pole Replacement and Reconductoring



- Line crews have been working on upgrading the existing power line on SW Peavine Road from Old Sheridan Road to SW Youngberg Hill Rd.
- To date, 18 poles and 24,000 linear feet of wire have been replaced.
- There are 12 poles (and assoc. wire) left to replace and the project will be complete this summer.
- This project will increase system capacity and reliability.



Project Update

Planned 2025 Water Projects

- NE 27th St.: replace 760 feet of galvanized and cast iron (varying sizes) with ductile iron pipe.
- NE Alpine Avenue: replace 760 feet of 6" cast iron with 10" ductile iron pipe and 450 feet of new 8" ductile iron main extension.
- NE 13th Street: replace 300 feet of 6" cast iron with 8" ductile iron pipe.



Facility Project



Conceptual Drawing

MW&L looking to upgrade main facility, built in 1988.

Project Scope Includes:

- Seismic retrofit of existing warehouse to immediate occupancy seismic standards
- New transformer storage yard
- Expansion of administrative/office building (approx. 10,400 sf)
- Seismic retrofit to immediate occupancy seismic standards and interior remodel/upgrades of existing administrative building. (approx. 8,700 sf)
- New parking lot(s)
- Construction Budget \$17 Million

Currently in design phase and advertising for CM/GC



RP3 Award Designation

- McMinnville Water & Light has earned a Platinum Level Reliable Public Power Provider RP₃[®] designation from the American Public Power Association for providing reliable and safe electric service.
- The RP₃[®] designation, which lasts for three years (2025-2027), recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity.





BPA Rates Update

BP-26 rate period (October 1, 2025 through September 30, 2028)

- Power Rates: In February, public power customers and BPA reached a settlement on power rates. The maximum Tier 1 average non-slice rate increase will be 8.3% (compared to 9.8% in BPA's initial proposal).
- Transmission Rates: Settlement has not been reached on the transmission side. The rate proceeding continues and the latest rate increase estimate is still at 20+%.

BPA will issue the Final Record of Decision in July 2025

APPA Legislative Rally



- In February, Mayor Morris and John Dietz visited Washington, DC to participate in the American Public Power Association (APPA) Legislative Rally.
- This rally was an opportunity to connect with state and federal legislators, engage in critical policy discussions, and advocate for public power.

Water Day at the Capitol



March 20, 2025: General Manager John Dietz participated in Water Day at the Capitol. This was an opportunity to meet with the Water Caucus and other local utility staff to share water related projects, goals and challenges.

Also met with Representative Elmer and Senator Starr to discuss water needs in our region.



Questions?



City of McMinnville

December 2024

CASH AND INVESTMENT BY FUND

FUND #	FUND NAME	GENERAL OPERATING		
		CASH IN BANK	INVESTMENT	TOTAL
01	General	\$2,547,358.53	\$14,391,786.04	\$16,939,144.57
05	Grants & Special Assessment	\$380.53	\$629,057.52	\$629,438.05
07	Transient Lodging Tax	\$431.52	(\$12,000.00)	(\$11,568.48)
08	Affordable Housing	\$90.11	\$1,132,000.00	\$1,132,090.11
10	Telecommunications	\$154.80	\$2,030.00	\$2,184.80
15	Emergency Communications	\$702.39	\$149,094.81	\$149,797.20
20	Street (State Tax)	\$151.06	\$1,753,990.94	\$1,754,142.00
25	Airport Maintenance	\$338.30	\$1,182,749.03	\$1,183,087.33
45	Transportation	\$832.32	\$6,098,494.92	\$6,099,327.24
50	Park Development	\$879.73	\$3,617,441.49	\$3,618,321.22
58	Urban Renewal	\$0.00	\$0.00	\$0.00
59	Urban Renewal Debt Service	\$630.97	\$1,590,310.75	\$1,590,941.72
60	Debt Service	\$206.47	\$2,694,510.93	\$2,694,717.40
70	Building	\$640.10	\$2,373,240.37	\$2,373,880.47
75	Wastewater Services	\$740.35	\$1,330,347.24	\$1,331,087.59
77	Wastewater Capital	\$299.73	\$31,559,103.65	\$31,559,403.38
80	Information Systems & Services	\$49.11	\$271,742.38	\$271,791.49
85	Insurance Reserve	\$888.13	\$391,290.54	\$392,178.67
CITY TOTALS		2,554,774.15	69,155,190.61	71,709,964.76

MATURITY				
DATE	INSTITUTION	TYPE OF INVESTMENT	INTEREST RATE	CASH VALUE
N/A	Key Bank of Oregon	Checking & Repurchase Sweep Account	0.68%	\$2,554,774.15
N/A	Key Bank of Oregon	Money Market Savings Account		\$0.00
N/A	State of Oregon	Local Government Investment Pool (LGIP)	4.85%	\$47,502,196.09
N/A	Umpqua Bank	Money Market Savings Account	4.66%	\$10,800,176.90
7/10/25	Umpqua Bank	Certificate of Deposit	5.25%	\$10,852,817.62
				<u>\$71,709,964.76</u>



City of McMinnville

January 2025

CASH AND INVESTMENT BY FUND

FUND #	FUND NAME	GENERAL OPERATING		
		CASH IN BANK	INVESTMENT	TOTAL
01	General	\$3,149,374.29	\$12,986,405.10	\$16,135,779.39
05	Grants & Special Assessment	\$311.81	\$627,057.52	\$627,369.33
07	Transient Lodging Tax	\$684.36	\$226,000.00	\$226,684.36
08	Affordable Housing	\$352.39	\$1,132,000.00	\$1,132,352.39
10	Telecommunications	\$162.26	\$2,030.00	\$2,192.26
15	Emergency Communications	\$57.64	\$155,094.81	\$155,152.45
20	Street (State Tax)	\$876.04	\$1,781,476.26	\$1,782,352.30
25	Airport Maintenance	\$187.82	\$1,177,749.03	\$1,177,936.85
45	Transportation	\$349.82	\$6,297,494.92	\$6,297,844.74
50	Park Development	\$82.60	\$3,652,441.49	\$3,652,524.09
58	Urban Renewal	\$0.00	\$0.00	\$0.00
59	Urban Renewal Debt Service	\$983.64	\$1,587,182.29	\$1,588,165.93
60	Debt Service	\$470.86	\$43,314.28	\$43,785.14
70	Building	\$533.41	\$2,375,240.37	\$2,375,773.78
75	Wastewater Services	\$560.76	\$1,288,767.21	\$1,289,327.97
77	Wastewater Capital	\$737.55	\$31,142,103.65	\$31,142,841.20
80	Information Systems & Services	\$689.04	\$266,742.38	\$267,431.42
85	Insurance Reserve	\$570.65	\$386,290.54	\$386,861.19
CITY TOTALS		3,156,984.94	65,127,389.85	68,284,374.79

MATURITY				
DATE	INSTITUTION	TYPE OF INVESTMENT	INTEREST RATE	CASH VALUE
N/A	Key Bank of Oregon	Checking & Repurchase Sweep Account	0.68%	\$3,156,984.94
N/A	Key Bank of Oregon	Money Market Savings Account		\$0.00
N/A	State of Oregon	Local Government Investment Pool (LGIP)	4.73%	\$43,416,625.74
N/A	Umpqua Bank	Money Market Savings Account	4.49%	\$10,840,537.00
7/10/25	Umpqua Bank	Certificate of Deposit	5.25%	\$10,870,227.11
				<u>\$68,284,374.79</u>



City of McMinnville

February 2025

CASH AND INVESTMENT BY FUND

FUND #	FUND NAME	GENERAL OPERATING		
		CASH IN BANK	INVESTMENT	TOTAL
01	General	\$2,557,079.67	\$12,761,941.26	\$15,319,020.93
05	Grants & Special Assessment	\$927.10	\$634,057.52	\$634,984.62
07	Transient Lodging Tax	\$227.98	(\$7,000.00)	(\$6,772.02)
08	Affordable Housing	\$915.51	\$1,127,000.00	\$1,127,915.51
10	Telecommunications	\$693.65	\$3,030.00	\$3,723.65
15	Emergency Communications	\$397.38	\$156,094.81	\$156,492.19
20	Street (State Tax)	\$121.42	\$1,799,246.76	\$1,799,368.18
25	Airport Maintenance	\$288.33	\$1,169,749.03	\$1,170,037.36
45	Transportation	\$160.01	\$6,782,494.92	\$6,782,654.93
50	Park Development	\$397.42	\$3,663,441.49	\$3,663,838.91
58	Urban Renewal	\$108.90	\$0.00	\$108.90
59	Urban Renewal Debt Service	\$433.13	\$1,593,532.64	\$1,593,965.77
60	Debt Service	\$602.29	\$61,975.87	\$62,578.16
70	Building	\$273.01	\$2,326,240.37	\$2,326,513.38
75	Wastewater Services	\$471.57	\$1,353,923.78	\$1,354,395.35
77	Wastewater Capital	\$596.02	\$31,233,103.65	\$31,233,699.67
80	Information Systems & Services	\$372.66	\$223,742.38	\$224,115.04
85	Insurance Reserve	\$854.60	\$380,290.54	\$381,145.14
CITY TOTALS		2,564,920.65	65,262,865.02	67,827,785.67

MATURITY				
DATE	INSTITUTION	TYPE OF INVESTMENT	INTEREST RATE	CASH VALUE
N/A	Key Bank of Oregon	Checking & Repurchase Sweep Account	0.65%	\$2,564,920.65
N/A	Key Bank of Oregon	Money Market Savings Account		\$0.00
N/A	State of Oregon	Local Government Investment Pool (LGIP)	4.70%	\$43,507,171.49
N/A	Umpqua Bank	Money Market Savings Account	4.49%	\$10,877,127.51
7/10/25	Umpqua Bank	Certificate of Deposit	1.72%	\$10,878,566.02
				<u>\$67,827,785.67</u>

STAFF REPORT

DATE: March 27, 2025
TO: Jeff Towery, City Manager
FROM: James Lofton, City Engineer
Jeff Gooden, Project Manager
SUBJECT: Cypress and Fellows Paving Project Contract Award

Report in Brief:

This action is the consideration of a resolution to award a public improvement contract in the amount of \$760,396.60 to K&E Paving Incorporated, DBA H&H Paving, for the Construction of the Cypress and Fellows Paving Project 2024-10.

Background:

Portions of SW Cypress Street and SW Fellows Street are showing signs of pavement and street base failure. GRI performed a pavement evaluation report on January 31, 2024, and provided the City with paving design recommendations to address street failures.

This resurfacing project is broken into three distinct phases (Please reference attachment #2):

1. Along SW Fellows Street from SW Oriole Street to the Intersection of SW Fellows and then south on SW Cypress Street to the North property line of Discovery Meadows Park. Street resurfacing also triggers the need to update ADA (PROWAG) curb ramps at intersections. All required ADA (PROWAG) curb ramps are included with Phase 1.
2. Along SW Fellows Street from SW Westvale Street to the SW Oriole Street (to the edge of Phase 1 extent).
3. Along SW Cypress Street from near SW Locust Street to the intersection of SW Fellows Street and SW Cypress Street (to the edge of Phase 1 extent).

Given the budget constraints and the potential for dealing with unknown quantities of poor subgrade material, City Staff have elected to split this paving project into phases. This allows the City to prioritize rehabilitation of the worse sections first and gives the City the option to release subsequent phases for construction once we know more about the subgrade conditions and confirm the remaining budget is adequate. If subgrade conditions are optimal then the project could have enough budget to rehabilitate the all three phases. If subgrade conditions are less than optimal, subsequent phases may need to be constructed with future funding.

Discussion:

On March 26, 2025, seven bids were received, opened, and publicly read for the construction of Cypress and Fellows Paving Project 2024-10. The bid results are as follows:

Bid #1 – K&E Paving Incorporated DBA H&H Paving -	\$760,396.60
Bid #2 – KNL Industries Incorporated -	\$1,013,718.75
Bid #3 – Knife River Corporation -	\$1,078,078.00
Bid #4 – North Santiam Paving Company -	\$977,993.50
Bid #5 – Roy Houck Construction LLC -	\$965,040.75
Bid #6 – Brix Paving Northwest Incorporated -	\$968,000.00
Bid #7 – S-2 Contractors Incorporated -	\$1,036,238.00

The construction Estimate for this work was \$1,135,000.00

The bids were checked for completeness, including a review of the following:

- Was the bid submitted, on time, in a properly sealed and labeled envelope?
- Was the Bid Form properly filled out and executed?
- Was a Bid Bond included?
- Were the project addenda acknowledged?
- Was the First Tier Subcontractor Form turned in on time?

Seven bids were complete and met the City's requirements. A detailed breakdown of the bids received is on file in the Engineering Department.

The bid from K&E Paving Incorporated DBA H&H Paving, in the amount of \$760,396.60 was deemed to be the lowest responsible and responsive bid.

Attachments:

1. Resolution
2. Project Vicinity Map

Fiscal Impact:

Funding for this project is included in the FY25 and FY26 Street Services Fund (45) budget.

Recommendation:

Staff recommends that the City Council adopt the attached resolution awarding the public improvement contract for the construction of the Cypress and Fellows Paving Project 2024-10, in the amount of \$760,396.60 to K&E Paving Incorporated DBA H&H Paving and an additional budget authority of 10% for project contingency (for dealing with potential subgrade issues).

RESOLUTION NO. 2025-10

A Resolution awarding the contract for the Cypress and Fellows Paving Project 2024-10.

RECITALS:

Whereas, At 2:00pm on March 26, 2025, seven bids for the Cypress and Fellows Paving Project 2024-10, were publicly opened and read aloud; and

Whereas, The low bidder, K&E Paving, Incorporated DBA H&H Paving met all of the bid requirements, and should be considered the lowest responsive bidder; and

Whereas, Funding for this project is included in the FY25 and FY 26 Street Services Fund (45) budget.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. That entry into a public improvement contract with Contractor, in the amount of \$760,396.60, with a substantial completion date of August 22, 2025, for the Cypress and Fellows Paving Project 2024-10, is hereby approved.
2. That the City Manager is hereby authorized and directed to execute the public improvement contract.
3. Authorizes a 10% reserve for contingencies (\$76,039.66) for dealing with unknown site conditions to be administered by the City Engineer or a designee.
4. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 8th day of April, 2025 by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of April 2025.

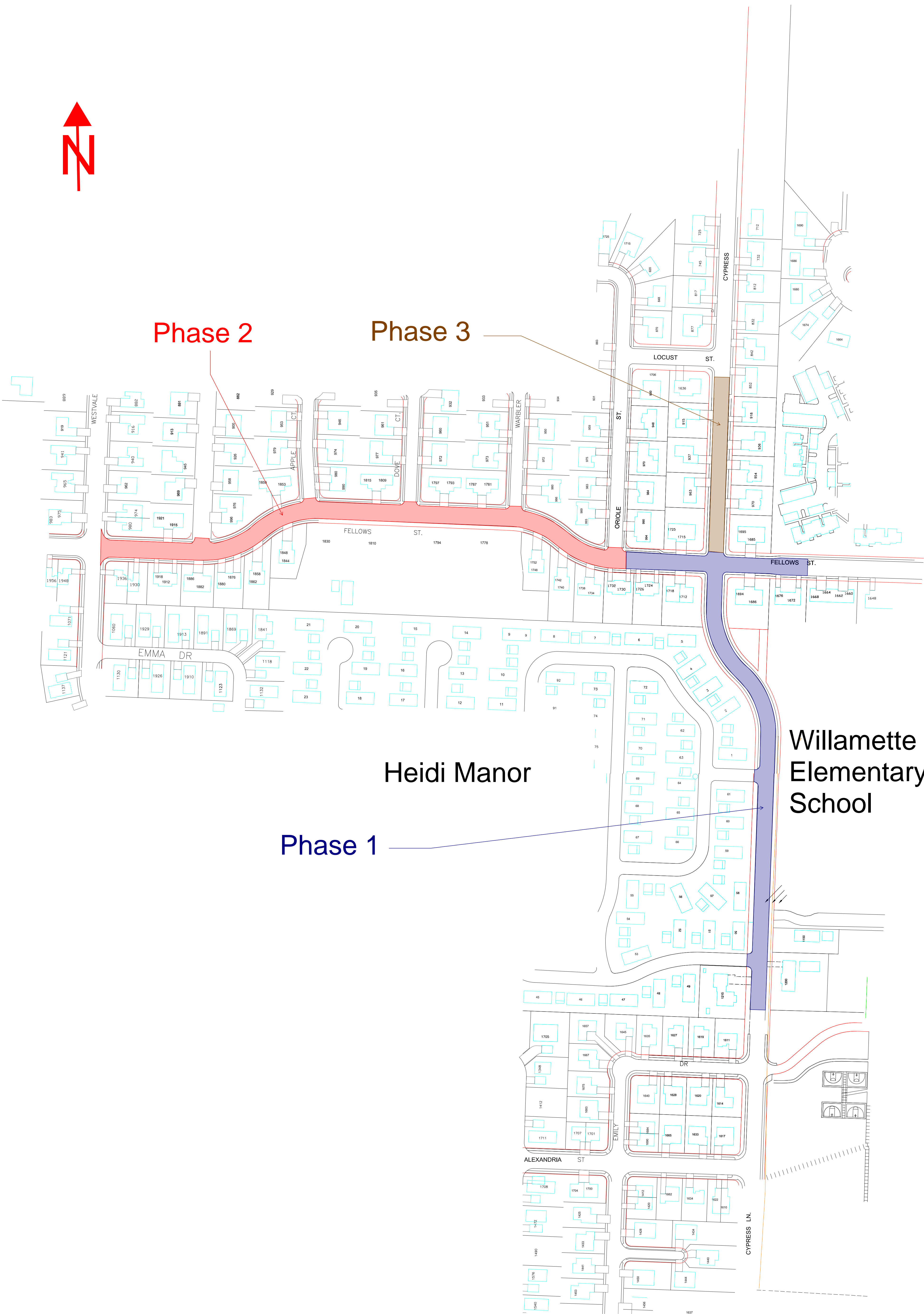
MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder



SCALE: NO SCALE
Drawn: NA
Checked: NA
Date: NA
Project No. 2024-10
SHEET 1 of 1

CITY OF McMINNVILLE, OREGON
ENGINEERING DEPARTMENT
CYPRESS AND FELLOWS PAVING
VICINITY MAP

STAFF REPORT

DATE: April 8, 2025
TO: Mayor and City Councilors
FROM: Katie Henry, Finance Director
SUBJECT: 2025 Resolution Establishing a Stormwater Operating and Stormwater Capital Fund

Report in Brief: The purpose of this resolution is to create two funds to account for stormwater operations separately from wastewater. One is a Stormwater Operating Fund to account for ongoing activities related to a stormwater plan, permitting, and infrastructure. One is a Stormwater Capital Fund to account for large infrastructure construction and repair projects and to hold reserves for future stormwater projects.

Background

A stormwater utility analysis was initiated by the Council through budget adoption in July 2022 to explore more equitable and sustainable ways to fund the operation of the City's stormwater system. The analysis began in October 2022 when the city contracted with the Galardi Rothstein Group to develop a financial needs assessment, rate alternatives, and to provide public engagement assistance. The Galardi team is well known and experienced in the development of stormwater utilities in Oregon.

A stormwater utility is a self-funded enterprise fund dedicated to meeting stormwater operating and capital requirements. The stormwater utility fund concept is broadly recognized, in Oregon and nationally, as an equitable and sustainable approach for management of a community's stormwater system. Stormwater utilities provide financial adequacy and stability to meet environmental regulations and construct and maintain critical infrastructure.

While the funding for the activity related to stormwater requirements remains to be determined, the need to account for the expenses in a separate, dedicated fund is undeniable. These expenses are currently in the Wastewater fund, which is a separate utility with distinct cost drivers and a different customer mix.

As part of the Stormwater Utility Fund Update works session held on February 19, 2025, we discussed the need to establish a new fund in our accounting system to track stormwater activity. There was no objection at that time to creating these funds.

In order to present the FY25-26 budget in a manner that complies with budgetary best practices, we need to create these funds without further delay.

Fiscal Impact:

This action has no fiscal impact and is for accounting and budget presentation only. We are not requesting any change to revenues, expenses, or transfers at this time.

Council Options:

1. Approve the establishment of the Stormwater Operating and Capital Funds.
2. Do not approve the creation of the new funds. This would require a significant amount of work on the part of staff to reverse work already completed in preparation for the FY26 proposed budget. It would also require restructuring of upcoming work sessions to determine another acceptable option for accounting for stormwater activity.

Documents:

1. Resolution 2025-11 Establishing a Stormwater Utility Fund and Stormwater Capital Fund.

RESOLUTION NO. 2025-11

A Resolution establishing a Stormwater Utility Fund and Stormwater Capital Fund.

RECITALS:

Whereas, the regulatory environment for management of stormwater quality changed in 2022 with the Mercury Total Maximum Daily Load (TMDL) requirements; and

Whereas, the City's TMDL implementation plan was adopted by City Council in November 2024; and

Whereas, the City of McMinnville will be required to obtain a permit for stormwater discharged to local drainageways and the North and South forks of the Yamhill River within the next 5 – 10 years; and

Whereas, such a permit regulates the operation and management of the community's stormwater system; and

Whereas, the operation of a stormwater system is based on impervious surface which is not shared with any other utility; and

Whereas, since the driver of stormwater costs are not shared with other utilities, the established practice across the State of Oregon for tracking the financial activities related to stormwater systems is in a dedicated utility fund; and

Whereas, the stormwater utility concept was presented to City Council on March 29, 2024; and

Whereas, financial activity related to the City's stormwater infrastructure is currently accounted for in the Wastewater fund; and

Whereas, the need to account for stormwater financial activity in a separate fund was presented to Council at a work session on February 19, 2025;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. **Establish new funds:** The Common Council of the City of McMinnville establishes the Stormwater Utility and Capital Funds.
2. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 8th day of April 2025 by the following votes:

Ayes: _____

Nays: _____

Approved this 8th day of April 2022.

MAYOR

Approved as to form:

Attest:

City Attorney

City Recorder