



## City Council Meeting Agenda

Tuesday, May 24, 2022

5:15 p.m. – Executive Sessions (CLOSED TO THE PUBLIC)

6:00 p.m. – City Council Work Session

7:00 p.m. – City Council Regular Meeting

**REVISED 05/23/2022**

*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 three ways:*

- Email at any time up to **12 p.m. on Monday, May 23rd** to [claudia.cisneros@mcminnvilleoregon.gov](mailto:claudia.cisneros@mcminnvilleoregon.gov)
- If appearing via telephone only please sign up prior by **12 p.m. on Monday, May 23rd** by emailing the City Recorder at [claudia.cisneros@mcminnvilleoregon.gov](mailto:claudia.cisneros@mcminnvilleoregon.gov) as the chat function is not available when calling in zoom;
- Join the zoom meeting use the raise hand feature in zoom to request to speak, once your turn is up we will announce your name and unmute your mic. **You will need to provide your First and Last name, Address, and contact information (email or phone) to the City.**

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

[www.mcm11.org/live](http://www.mcm11.org/live)

### **CITY COUNCIL WORK SESSION AND CITY COUNCIL REGULAR MEETING:**

*You may join online via Zoom Meeting:*

<https://mcminnvilleoregon.zoom.us/j/89607925753?pwd=Q0o2Yjh0cE5sN3Rac3U0S3UzdXZyZz09>

Zoom ID: 896 0792 5753

Zoom Password: 366451

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

*ID: 896 0792 5753*

### **5:15 PM – EXECUTIVE SESSIONS- VIA ZOOM AND SEATING AT CIVIC HALL (NOT OPEN TO THE PUBLIC)**

1. CALL TO ORDER
2. **Executive Session pursuant to ORS 192.660 (2)(h):** To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.
3. ADJOURNMENT

### **6:00 PM – COUNCIL WORK SESSION – VIA ZOOM AND SEATING AT CIVIC HALL**

1. CALL TO ORDER
2. FIRE DISTRICT POLLING INFORMATION
3. ADJOURNMENT

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

1. CALL TO ORDER & ROLL CALL
2. PLEDGE OF ALLEGIANCE  
Councilor Geary lead the pledge
3. OATH OF OFFICE
  - a. Municipal Court Judge – Arnold Poole
  - b. Interim Mayor - Remy Drabkin.
4. CEREMONIES
  - a. Lifesaving Awards
5. PROCLAMATION & RECOGNITION OF MAYOR SCOTT A. HILL
6. 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 3 minutes per person for a total of 30 minutes. The Mayor will read comments emailed to City Recorded and then any citizen participating via Zoom.*

Michael Wells via Zoom thanked Mayor Hill for his time on Council.

Mark Pitts in person brought up concerns about Short-Term rentals.

Sam Justice in person made comments regarding sustainable funding and partnership with MW&L and City.

Representative Ron Noble thanked the Mayor and asked to vote yes on the navigation center to find housing for the homeless.

7. PUBLIC HEARING
  - a. Public Hearing considering **Resolution No. 2022-34**: A Resolution Establishing a New Affordable Housing Fund, Adopting a Supplemental Budget for Fiscal Year 2021-2022 and Making Supplemental Appropriations.
8. ADVICE/ INFORMATION ITEMS
  - a. Reports from Councilors on Committee & Board Assignments  
*Council and Mayor provided brief report assignments on their committees/boards.*
  - b. Department Head Reports  
*Matt – Thanked him.*  
*Jenny – Provided update on staff on class/comp. Thanked the Mayor for his service.*  
*Heather – Thanked the Mayor for his service; provided update process in memorializing with posters has a QR code. Noelle has been working with Adam Tate and pushing out on social media. Asking if they could buy these poster and see more of these as they could buy them.*  
*Susan – Thanked the Mayo.*  
*Jeff – Kylie Bayer has accepted job last day is June 17<sup>th</sup>. Part time interim with recruitment. Remind applications Ward 3 vacancy are out in variety. ICMA key note address July 2<sup>nd</sup> – July 16<sup>th</sup>.*

**Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice:** Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or [Claudia.Cisneros@mcminvilleoregon.gov](mailto:Claudia.Cisneros@mcminvilleoregon.gov).

9. REVIEW, DISCUSS, & PROVIDE DIRECTION ON CITY SUSTAINABLE RESOURCES

*Jeff – Kylie Bayer*

10. CONSENT AGENDA

- a. Consider **Resolution No. 2022-32**: A Resolution Awarding the Contract for the Biosolids Application Project, Project 2022-4.
- b. Consider **Resolution No. 2022-33**: A Resolution Awarding the Contract for the HVAC Preventive Maintenance Services Project, Project 2022-3.
- c. Consider request from Heater Allen LLC dba: Heater Allen Brewing for Brewery-Public House (BPH) 1st Location, OLCC Liquor License located at 907-909 NE 10<sup>th</sup> Street. (**Added on 05.23.2022**)

11. RESOLUTION

- a. Consider **Resolution No. 2022-34**: A Resolution Establishing a New Affordable Housing Fund, Adopting a Supplemental Budget for Fiscal Year 2021-2022 and Making Supplemental Appropriations.
- b. Consider **Resolution No. 2022-35**: A Resolution Approve the City Manager to sign an Agreement with YCAP for the Navigation Center.
- c. Consider **Resolution No. 2022-36**: A Resolution Adopt an exemption to the state procurement standards and approve a contract with FFA for the Navigation Center.

12. ADJOURNMENT OF REGULAR MEETING



City of McMinnville  
Fire Department  
175 NE 1<sup>st</sup> Street  
McMinnville, OR 97128  
(503) 435-5800

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

# STAFF REPORT

**DATE:** May 17, 2022  
**TO:** Mayor and City Councilors  
**FROM:** Rich Leipfert, Fire Chief  
**SUBJECT:** Council Work Session 5/17/2022 Fire Department Consolidation Polling  
**STRATEGIC PRIORITY & GOAL:**



## COMMUNITY SAFETY & RESILIENCY

Proactively plan for & responsively maintain a safe & resilient community.

**OBJECTIVE/S:** Provide exceptional police, municipal court, fire, emergency medical services (EMS), utility services and public works

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### **Report in Brief:**

The purpose of the work session will be to provide City Council and the McMinnville Rural Fire Protection District with the polling information on the consolidation efforts. JL Wilson of Nelson Research will discuss the results.

### **Background:**

The City of McMinnville and the McMinnville Rural Fire District are in the middle of a Fire Department Consolidation Feasibility Study. The consultant will provide feedback and interpretation of the polling results.

### **Discussion:**

The purpose of the work session is to present polling information to the City Council and the McMinnville Rural Fire Protection District on the consolidation of the two entities into a new Fire District. It is the hope of the department that this information will allow the two entities to make a firm decision to move forward with a May 2023 election.

### **Attachments:**

1. Nelson Research Power Point
2. Crosstab Data
3. Topline survey

**Fiscal Impact:** No changes



**City of McMinnville Fire Department  
MFD/MRFPD Merger Benchmark Survey  
Fielded April 1-8 2022**

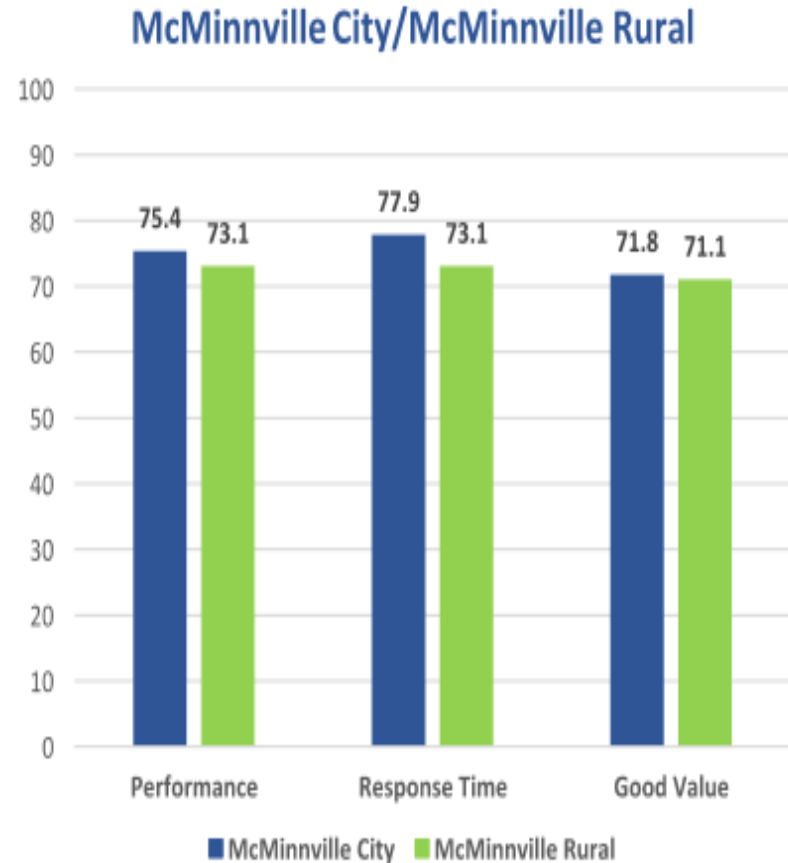
**381 Likely Voters, Live Call/Online, Margin of Error 5%**

# Survey Objectives

- Determine the satisfaction level with the McMinnville Fire Department and McMinnville Rural Fire Protection District among urban and rural residents.
- Pinpoint the willingness of City and Rural residents to increase their property tax rate to \$2.00 per thousand of assessed property value to support merger of MFD and MRFPD.
- Identify messaging strengths and weaknesses in persuading McMinnville area residents of merger proposal.
- Discover which benefits of a \$2.00 tax base McMinnville area residents want prioritized.

# High Approval for both Fire Departments

- 75% of City residents consider their fire and emergency services to be “Excellent” or “Pretty Good.” 73% of Rural residents share the same view.
- 78% of City residents rate the response time for Fire/Emergency as “Excellent” or “Pretty Good”. 73% of Rural residents rate “Excellent” or “Pretty Good.”
- 72% of City residents believe they receive “good value” for the property taxes that finance fire/emergency services. 71% of Rural residents believe they receive “good value.”



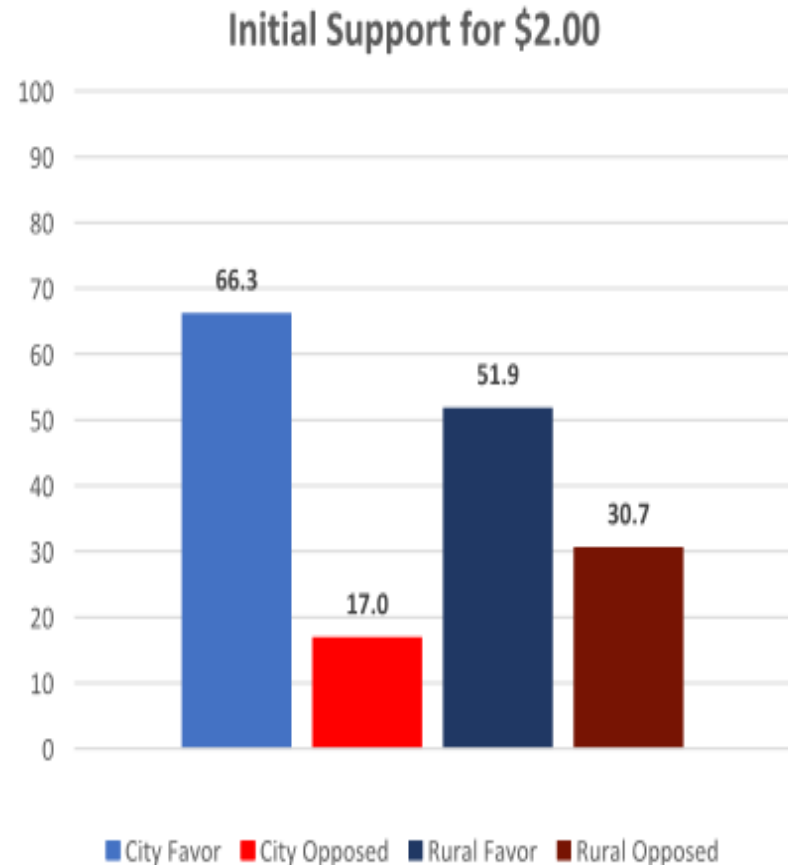
## Residents are generally unaware...

- City residents are much less aware that the McMinnville Fire Department is separate from the Rural Fire Protection District, by a 21 point margin (58% Unaware, 37% Aware).
- Rural residents are evenly split on their awareness of that the McMinnville Fire Department and the Rural Fire Protection District are two separate entities (48% Aware, 48% Unaware).



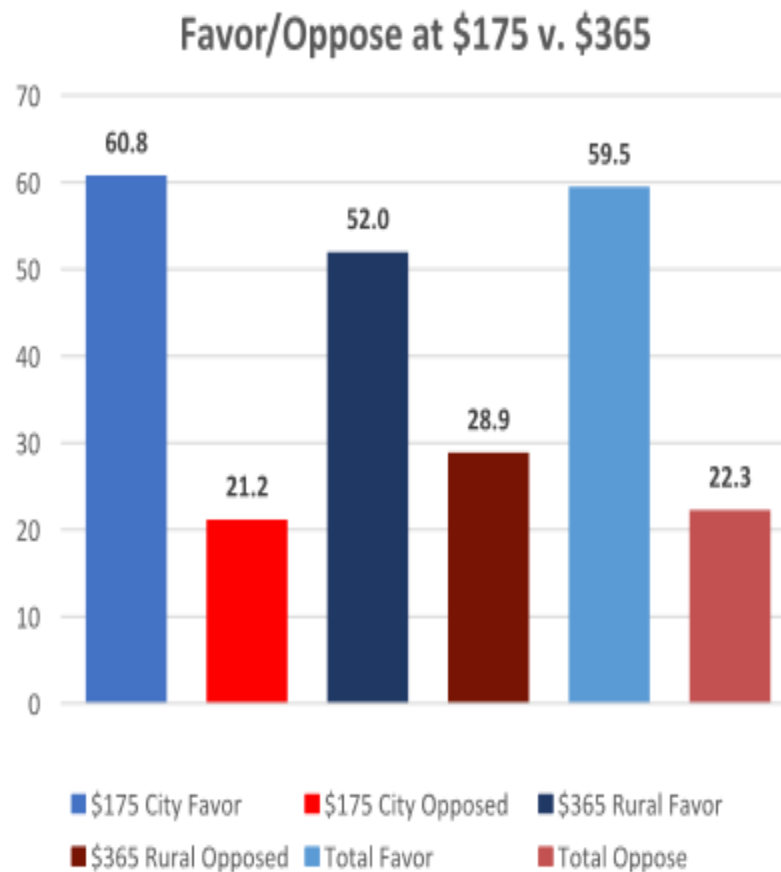
# If an election were held today...

- Support for a \$2.00 per thousand increase is 14.4 points higher among City residents than Rural residents.
- Opposition to a \$2.00 per thousand increase is 13.7 points higher among Rural residents than City residents.
- City +49.3
- Rural +21.2



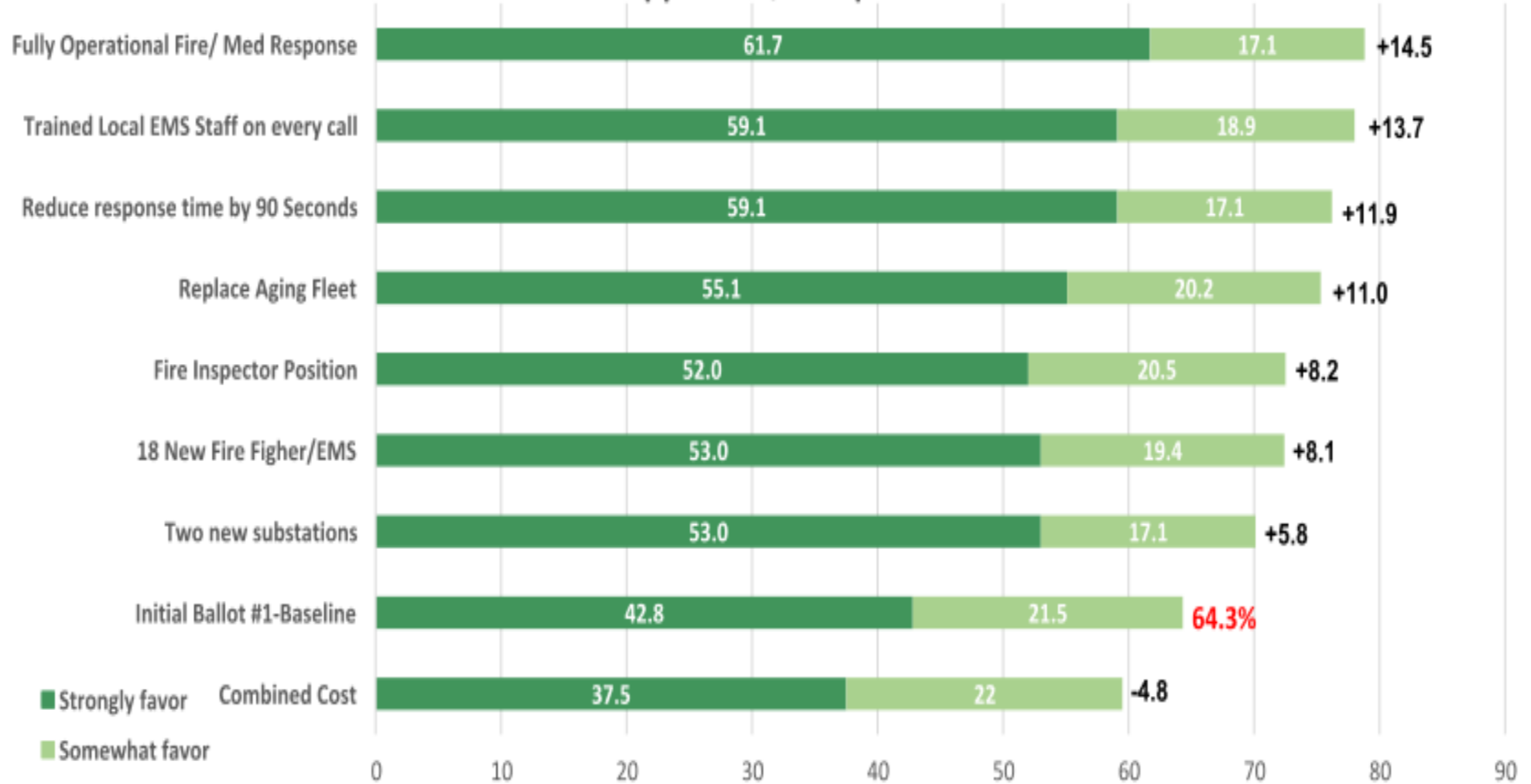
# \$175 (City) versus \$365 (Rural)

- Overall support for a \$2.00 tax remains high, even after City and Rural residents understand the exact cost.
- City residents support at \$2.00 decreased by 5.5 points
- Rural residents support at \$2.00 unchanged at 52%
- City +39.6
- Rural +23.1



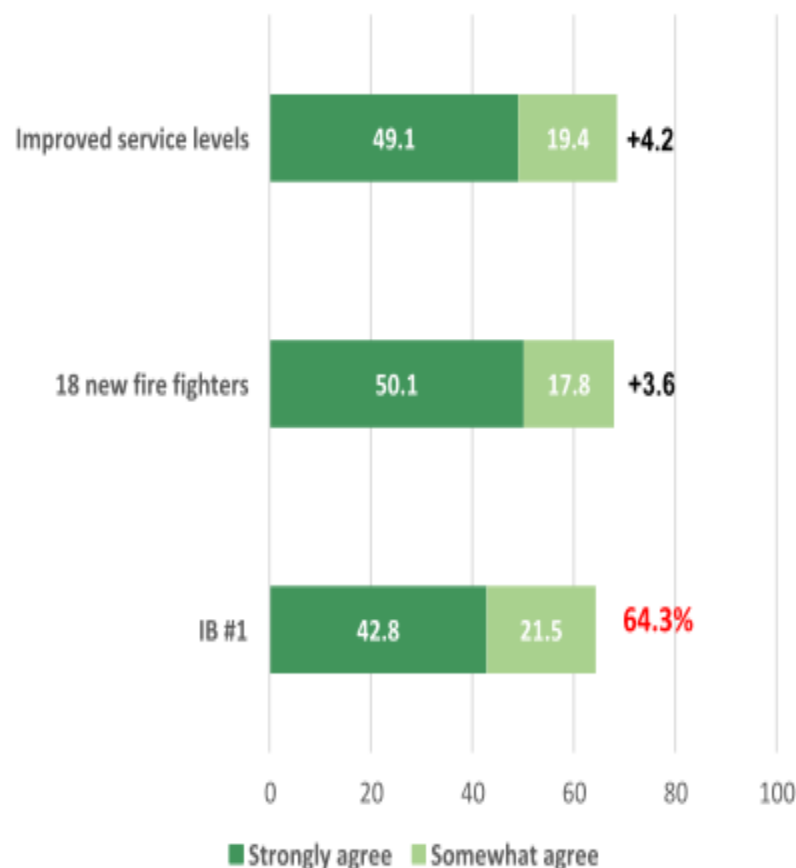
# Priorities for the MFD/MRFPD Merger

Benefit support at \$2.00 per thousand



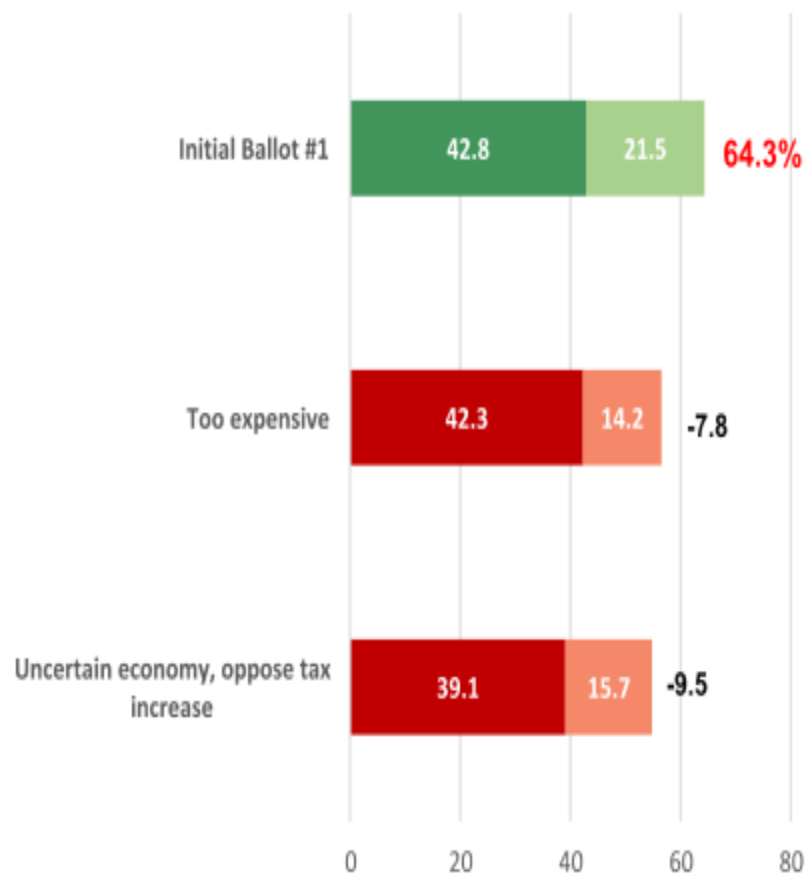
# Voting “Yes” to the Merger

- City and Rural residents overwhelmingly favor the core arguments for a \$2.00 tax level: improving service levels, and adding capacity and reducing response times.
- By a 51 point margin, residents agree with concept of improving service levels *at \$2.00* (Question 15).
- By a 51 point margin, residents agree with \$2.00 tax level to add 18 new fire fighters and cut the response time by a full 90 seconds (Question 17).



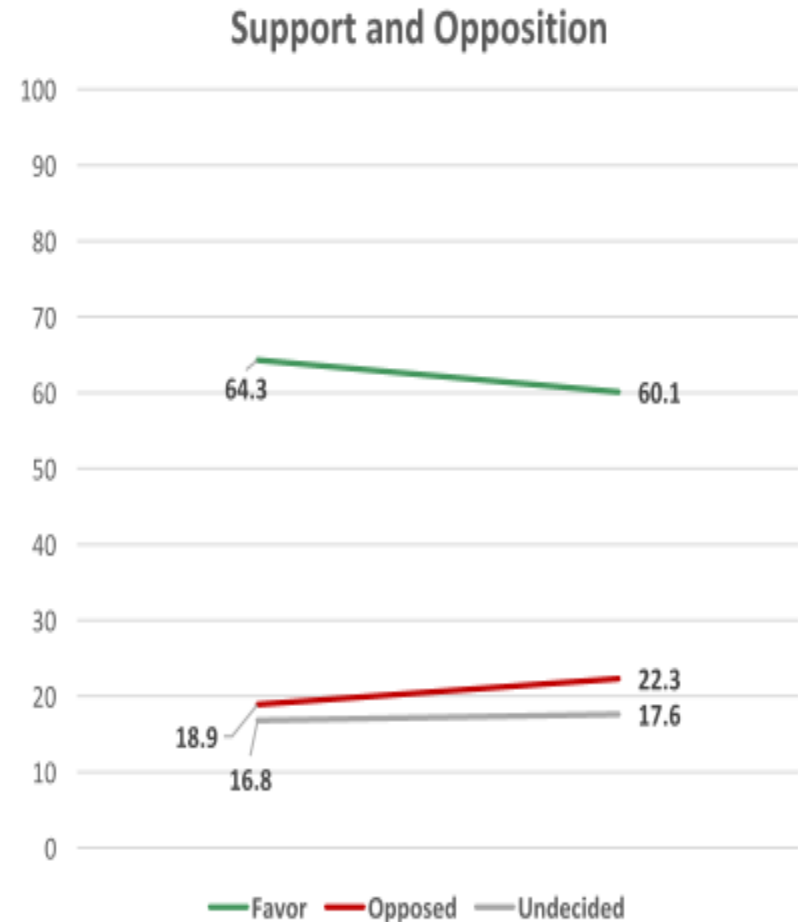
# Voting “No” to the Merger

- Nelson Research probed City and Rural residents on the most compelling arguments against a \$2.00 tax rate .
- “Simply too expensive” (Question 16). 56.5% of residents disagreed with that statement.
- “Can’t afford increase in my property tax rate” (Question 18). 54.8% of residents disagreed with that statement, indicating floor of support.



# After hearing some of the pros and cons...

- Support for a \$2.00 per thousand property tax decreased by a marginal 4.2 points over the course of the survey.
- Opposition to a \$2.00 per thousand property tax increased by 3.4 points over the course of the survey.
- After hearing the arguments for and against a \$2.00 property tax, combined city and rural residents support for the tax remained relatively high at 60.1%.



## A \$1.80 Property Tax Rate...

Support significantly declined for a \$1.80 per thousand property tax. City and Rural residents were informed that the reduction in tax would also result in fewer benefits, such as a fire inspector, substations, and replacing aging trucks. They were also informed it would require a levy renewal in five years.

- Support for a \$1.80 rate decreased by 12.9 points compared to support for a \$2.00 rate.
- Margin of support decreased by 25 points, and only a plurality of residents support a \$1.80 tax measure.

# Information

Nelson Research is a public opinion survey research firm based in Salem, Oregon. We specialize in public opinion polling for school districts, local governments, businesses, and trade associations. Nelson Research has been conducting public opinion research since 1980.

- Website: [nelson-research.com](http://nelson-research.com)
- Company email: [info@nelson-research.com](mailto:info@nelson-research.com)
- Firm Principal: [jlwilson@nelson-research.com](mailto:jlwilson@nelson-research.com)



**1. Please tell me how you would rate the operation and performance of your local fire and ambulance services**

Total (381)	Excellent	Pretty Good	Only Fair	Poor	Not Sure/Refused
	52	23.1	4.7	1.8	18.4

**Gender**

Male	54	20.1	5.7	0.6	19.5
Female	50.2	25.6	3.9	2.9	17.4

**Age**

18-34	44.4	30.6	8.3	2.8	13.9
35-59	41.2	28.8	6.5	2	21.6
60+	62	17.2	2.6	1.6	16.7

**Voter History**

1 of 4	48.7	30.8	7.7	5.1	7.7
2 of 4	54.3	20	1.4	1.4	22.9
3 of 4	42.1	23.7	3.9	1.3	28.9
4 of 4	60.4	17.6	6.3	1.3	14.5
New Voters	35.1	43.2	2.7	2.7	16.2

**Party**

Democrat	52.9	21.8	3.4	2.5	19.3
Republican	56.9	23.1	6.2	1.5	12.3
Independent/NAV	46.2	24.2	4.5	1.5	23.5

**GeographicArea**

McMinnville City	52	23.4	4.9	1.5	18.2
McMinnville Rural	51.9	21.2	3.8	3.8	19.2

**2.How would you rate the response times of your local fire and ambulance services**

Total (381)	Excellent	Pretty Good	Only Fair	Poor	Not Sure/Refused
	49.6	27.6	2.4	3.4	17.1

Gender					
Male	48.3	29.9	1.7	3.4	16.7
Female	50.7	25.6	2.9	3.4	17.4

Age					
18-34	27.8	41.7	2.8	5.6	22.2
35-59	42.5	32.7	2	4.6	18.3
60+	59.4	20.8	2.6	2.1	15.1

Voter History					
1 of 4	41	41	5.1	5.1	7.7
2 of 4	47.1	27.1	0	2.9	22.9
3 of 4	40.8	35.5	1.3	2.6	19.7
4 of 4	57.9	19.5	3.1	3.1	16.4
New Voters	45.9	32.4	2.7	5.4	13.5

Party					
Democrat	53.8	23.5	2.5	5.9	14.3
Republican	48.5	30	2.3	2.3	16.9
Independent/NAV	47	28.8	2.3	2.3	19.7

GeographicArea					
McMinnville City	50.2	27.7	2.4	3.3	16.4
McMinnville Rural	46.2	26.9	1.9	3.8	21.2

### 3.How important is it to you to have highly trained and experienced fire and ambulance staff in your community

Total (381)	Very Important	Somewhat Important	Somewhat Unimportant	Very Unimportant	Not Sure/Refused
	95.3	3.4	0.3	0.5	0.5

#### Gender

Male	93.7	4.6	0	0.6	1.1
Female	96.6	2.4	0.5	0.5	0

#### Age

18-34	94.4	5.6	0	0	0
35-59	95.4	2.6	0	0.7	1.3
60+	95.3	3.6	0.5	0.5	0

#### Voter History

1 of 4	92.3	5.1	0	2.6	0
2 of 4	97.1	1.4	0	0	1.4
3 of 4	94.7	3.9	0	1.3	0
4 of 4	95.6	3.8	0.6	0	0
New Voters	94.6	2.7	0	0	2.7

#### Party

Democrat	96.6	2.5	0.8	0	0
Republican	98.5	1.5	0	0	0
Independent/NAV	90.9	6.1	0	1.5	1.5

#### GeographicArea

McMinnville City	96.4	2.4	0	0.6	0.6
McMinnville Rural	88.5	9.6	1.9	0	0

**4. Do you believe you receive a good value for what you pay in property taxes for fire and ambulance services**

<b>Total (381)</b>	<b>Strong YES</b>	<b>Somewhat YES</b>	<b>Strong NO</b>	<b>Somewhat NO</b>	<b>Not Sure/Refused</b>
	50.4	21.3	2.9	4.7	20.7

<b>Gender</b>					
Male	50	25.3	3.4	4.6	16.7
Female	50.7	17.9	2.4	4.8	24.2

<b>Age</b>					
18-34	41.7	19.4	0	2.8	36.1
35-59	38.6	26.1	3.9	6.5	24.8
60+	61.5	17.7	2.6	3.6	14.6

<b>Voter History</b>					
1 of 4	38.5	30.8	5.1	2.6	23.1
2 of 4	40	20	2.9	1.4	35.7
3 of 4	40.8	28.9	3.9	5.3	21.1
4 of 4	62.3	17.6	1.3	5.7	13.2
New Voters	51.4	13.5	5.4	8.1	21.6

<b>Party</b>					
Democrat	52.1	24.4	2.5	4.2	16.8
Republican	51.5	19.2	3.1	6.2	20
Independent/NAV	47.7	20.5	3	3.8	25

<b>Geographic Area</b>					
McMinnville City	50.2	21.6	2.7	4.9	20.7
McMinnville Rural	51.9	19.2	3.8	3.8	21.2

**5.Are you aware that the McMinnville Rural Fire Protection District is separate from the McMinnville Fire Department**

<b>Total (381)</b>	<b>Yes</b>	<b>No</b>	<b>Not Sure/Refused</b>
	38.8	56.7	4.5

<b>Gender</b>			
Male	39.7	55.2	5.2
Female	38.2	58	3.9

<b>Age</b>			
18-34	22.2	72.2	5.6
35-59	37.3	61.4	1.3
60+	43.2	50	6.8

<b>Voter History</b>			
1 of 4	30.8	66.7	2.6
2 of 4	34.3	62.9	2.9
3 of 4	34.2	59.2	6.6
4 of 4	46.5	50.3	3.1
New Voters	32.4	56.8	10.8

<b>Party</b>			
Democrat	41.2	56.3	2.5
Republican	39.2	56.2	4.6
Independent/NAV	36.4	57.6	6.1

<b>GeographicArea</b>			
McMinnville City	37.4	58.1	4.6
McMinnville Rural	48.1	48.1	3.8

**6. Measure to merge the McMinnville Fire Department with the McMinnville Rural Fire Protection**

Total (381)	Strongly Favor	Somewhat Favor	Somewhat Oppose	Strongly Oppose	Not Sure/Refused
	42.8	21.5	8.7	10.2	16.8

**Gender**

Male	36.8	23	11.5	14.4	14.4
Female	47.8	20.3	6.3	6.8	18.8

**Age**

18-34	44.4	36.1	5.6	2.8	11.1
35-59	44.4	19.6	9.8	9.8	16.3
60+	41.1	20.3	8.3	12	18.2

**Voter History**

1 of 4	59	15.4	7.7	2.6	15.4
2 of 4	35.7	24.3	7.1	14.3	18.6
3 of 4	38.2	18.4	15.8	6.6	21.1
4 of 4	45.3	23.3	5.7	11.3	14.5
New Voters	37.8	21.6	10.8	13.5	16.2

**Party**

Democrat	49.6	24.4	8.4	5	12.6
Republican	33.8	23.1	10	13.8	19.2
Independent/NAV	45.5	17.4	7.6	11.4	18.2

**GeographicArea**

McMinnville City	45	21.3	8.2	8.8	16.7
McMinnville Rural	28.8	23.1	11.5	19.2	17.3

7. for the owner of a home with an assessed value of 350000 would you FAVOR or OPPOSE the proposed fire district proposal

Total (381)	Strongly favor	Somewhat Favor	Somewhat oppose	Strongly Oppose	Not sure/refused
	37.5	22	9.7	12.6	18.1

Gender					
Male	32.8	24.7	11.5	16.7	14.4
Female	41.5	19.8	8.2	9.2	21.3

Age					
18-34	30.6	30.6	8.3	2.8	27.8
35-59	41.2	23.5	11.1	11.1	13.1
60+	35.9	19.3	8.9	15.6	20.3

Voter History					
1 of 4	46.2	20.5	7.7	5.1	20.5
2 of 4	32.9	15.7	14.3	12.9	24.3
3 of 4	34.2	19.7	9.2	15.8	21.1
4 of 4	39.6	26.4	8.2	11.3	14.5
New Voters	35.1	21.6	10.8	18.9	13.5

Party					
Democrat	42	21.8	11.8	4.2	20.2
Republican	33.1	23.1	8.5	18.5	16.9
Independent/NAV	37.9	21.2	9.1	14.4	17.4

GeographicArea					
McMinnville City	37.4	23.4	10.3	10.9	17.9
McMinnville Rural	38.5	13.5	5.8	23.1	19.2

8.If you knew the fire district proposal would allow the new fire district to hire 18 new fire and medical first responders

Total (381)	Strongly favor	Somewhat Favor	Somewhat oppose	Strongly Oppose	Not sure/refused
	53	19.4	7.9	8.9	10.8

**Gender**

Male	48.3	20.1	10.3	10.3	10.9
Female	57	18.8	5.8	7.7	10.6

**Age**

18-34	63.9	13.9	8.3	2.8	11.1
35-59	60.1	15	9.2	6.5	9.2
60+	45.3	24	6.8	12	12

**Voter History**

1 of 4	66.7	12.8	7.7	5.1	7.7
2 of 4	48.6	17.1	10	14.3	10
3 of 4	52.6	17.1	11.8	7.9	10.5
4 of 4	52.8	22.6	5	7.5	11.9
New Voters	48.6	21.6	8.1	10.8	10.8

**Party**

Democrat	58	20.2	7.6	4.2	10.1
Republican	48.5	18.5	6.9	13.1	13.1
Independent/NAV	53	19.7	9.1	9.1	9.1

**GeographicArea**

McMinnville City	54.7	19.1	7.9	7.9	10.3
McMinnville Rural	42.3	21.2	7.7	15.4	13.5



**9.If reduce the amount of time on average by 90 seconds for fire and emergency medical to arrive**

Total (381)	Strongly favor	Somewhat Favor	Somewhat oppose	Strongly Oppose	Not sure/refused
	59.1	17.1	7.1	7.9	8.9

Gender					
Male	54.6	16.7	8.6	10.9	9.2
Female	62.8	17.4	5.8	5.3	8.7

Age					
18-34	61.1	22.2	5.6	0	11.1
35-59	64.1	14.4	6.5	7.8	7.2
60+	54.7	18.2	7.8	9.4	9.9

Voter History					
1 of 4	74.4	12.8	7.7	0	5.1
2 of 4	57.1	14.3	5.7	10	12.9
3 of 4	55.3	14.5	10.5	6.6	13.2
4 of 4	60.4	19.5	5	10.1	5
New Voters	48.6	21.6	10.8	5.4	13.5

Party					
Democrat	67.2	14.3	7.6	4.2	6.7
Republican	56.2	15.4	8.5	13.1	6.9
Independent/NAV	54.5	21.2	5.3	6.1	12.9

GeographicArea					
McMinnville City	60.2	17.3	7	6.4	9.1
McMinnville Rural	51.9	15.4	7.7	17.3	7.7

**10.If you knew the proposal would ensure there is trained local emergency medical staff for every emergency call**

Total (381)	Strongly favor	Somewhat favor	Somewhat oppose	Strongly Oppose	Not sure/refused
	59.1	18.9	4.5	8.4	9.2

Gender					
Male	53.4	19.5	5.2	10.9	10.9
Female	63.8	18.4	3.9	6.3	7.7

Age					
18-34	63.9	16.7	5.6	2.8	11.1
35-59	64.1	16.3	5.2	7.8	6.5
60+	54.2	21.4	3.6	9.9	10.9

Voter History					
1 of 4	74.4	10.3	7.7	2.6	5.1
2 of 4	54.3	14.3	2.9	12.9	15.7
3 of 4	56.6	17.1	7.9	6.6	11.8
4 of 4	61	21.4	2.5	8.2	6.9
New Voters	48.6	29.7	5.4	10.8	5.4

Party					
Democrat	64.7	19.3	4.2	3.4	8.4
Republican	56.9	16.2	3.8	14.6	8.5
Independent/NAV	56.1	21.2	5.3	6.8	10.6

GeographicArea					
McMinnville City	60.5	18.2	4.9	7.3	9.1
McMinnville Rural	50	23.1	1.9	15.4	9.6

11.If allow for construction to begin on two new rural substations within 5 years

Total (381)	Strongly favor	Somewhat Favor	Somewhat oppose	Strongly Oppose	Not sure/refused
	53	17.1	7.6	9.2	13.1

**Gender**

Male	47.7	17.2	9.8	12.6	12.6
Female	57.5	16.9	5.8	6.3	13.5

**Age**

18-34	61.1	16.7	5.6	2.8	13.9
35-59	56.9	14.4	9.2	9.8	9.8
60+	48.4	19.3	6.8	9.9	15.6

**Voter History**

1 of 4	66.7	10.3	5.1	5.1	12.8
2 of 4	50	11.4	7.1	12.9	18.6
3 of 4	52.6	10.5	11.8	6.6	18.4
4 of 4	52.2	23.9	5.7	8.8	9.4
New Voters	48.6	18.9	10.8	13.5	8.1

**Party**

Democrat	54.6	21	8.4	5	10.9
Republican	50	15.4	6.9	14.6	13.1
Independent/NAV	54.5	15.2	7.6	7.6	15.2

**GeographicArea**

McMinnville City	53.8	17.6	7.6	8.2	12.8
McMinnville Rural	48.1	13.5	7.7	15.4	15.4

**12.If proposal would allow for a new fire inspector position to help identify potential hazards and prevent fires**

Total (381)	Strongly favor	Somewhat Favor	Somewhat oppose	Strongly Oppose	Not sure/refused
	52	20.5	8.4	9.2	10

Gender					
Male	43.7	21.3	11.5	13.2	10.3
Female	58.9	19.8	5.8	5.8	9.7

Age					
18-34	63.9	16.7	8.3	2.8	8.3
35-59	52.3	21.6	9.2	7.8	9.2
60+	49.5	20.3	7.8	11.5	10.9

Voter History					
1 of 4	66.7	17.9	5.1	5.1	5.1
2 of 4	44.3	14.3	11.4	12.9	17.1
3 of 4	48.7	21.1	10.5	5.3	14.5
4 of 4	52.8	24.5	6.3	10.1	6.3
New Voters	54.1	16.2	10.8	10.8	8.1

Party					
Democrat	54.6	24.4	10.1	4.2	6.7
Republican	48.5	17.7	7.7	14.6	11.5
Independent/NAV	53	19.7	7.6	8.3	11.4

GeographicArea					
McMinnville City	53.2	20.7	8.2	7.9	10
McMinnville Rural	44.2	19.2	9.6	17.3	9.6

13.If allow your local fire agencies to replace an aging fleet with 3 new fire trucks

Total (381)	Strongly favor	Somewhat Favor	Somewhat oppose	Strongly Oppose	Not sure/refused
	55.1	20.2	5	8.4	11.3

**Gender**

Male	48.9	20.7	8.6	9.8	12.1
Female	60.4	19.8	1.9	7.2	10.6

**Age**

18-34	63.9	19.4	5.6	2.8	8.3
35-59	60.1	18.3	5.9	7.8	7.8
60+	49.5	21.9	4.2	9.9	14.6

**Voter History**

1 of 4	66.7	10.3	7.7	7.7	7.7
2 of 4	51.4	17.1	7.1	11.4	12.9
3 of 4	47.4	22.4	6.6	6.6	17.1
4 of 4	57.9	22	3.1	8.8	8.2
New Voters	54.1	24.3	2.7	5.4	13.5

**Party**

Democrat	58.8	25.2	3.4	5	7.6
Republican	52.3	16.2	5.4	13.8	12.3
Independent/NAV	54.5	19.7	6.1	6.1	13.6

**GeographicArea**

McMinnville City	55.6	20.7	5.2	7	11.6
McMinnville Rural	51.9	17.3	3.8	17.3	9.6

14.If you knew the proposal would provide a fully operational fire and medical response in half the time

Total (381)	Strongly favor	Somewhat Favor	Somewhat oppose	Strongly Oppose	Not sure/refused
	61.7	17.1	4.7	6	10.5

**Gender**

Male	56.9	17.2	6.3	6.9	12.6
Female	65.7	16.9	3.4	5.3	8.7

**Age**

18-34	63.9	22.2	2.8	2.8	8.3
35-59	66.7	12.4	3.9	5.9	11.1
60+	57.3	19.8	5.7	6.8	10.4

**Voter History**

1 of 4	74.4	10.3	5.1	2.6	7.7
2 of 4	60	17.1	2.9	10	10
3 of 4	56.6	21.1	5.3	3.9	13.2
4 of 4	63.5	15.7	5	6.9	8.8
New Voters	54.1	21.6	5.4	2.7	16.2

**Party**

Democrat	69.7	13.4	4.2	3.4	9.2
Republican	56.9	17.7	4.6	10.8	10
Independent/NAV	59.1	19.7	5.3	3.8	12.1

**GeographicArea**

McMinnville City	62	17	5.2	5.2	10.6
McMinnville Rural	59.6	17.3	1.9	11.5	9.6

15.Improved fire and emergency medical services are critical to our community. Im voting yes to merge

Total (381)	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Not sure/refused
	49.1	19.4	8.1	9.2	14.2

**Gender**

Male	41.4	18.4	10.3	12.6	17.2
Female	55.6	20.3	6.3	6.3	11.6

**Age**

18-34	52.8	25	5.6	2.8	13.9
35-59	52.3	17.6	8.5	9.2	12.4
60+	45.8	19.8	8.3	10.4	15.6

**Voter History**

1 of 4	66.7	15.4	5.1	5.1	7.7
2 of 4	48.6	12.9	7.1	12.9	18.6
3 of 4	48.7	13.2	13.2	7.9	17.1
4 of 4	47.2	25.2	6.3	9.4	11.9
New Voters	40.5	24.3	10.8	8.1	16.2

**Party**

Democrat	54.6	20.2	5.9	5	14.3
Republican	42.3	17.7	10.8	14.6	14.6
Independent/NAV	50.8	20.5	7.6	7.6	13.6

**GeographicArea**

McMinnville City	49.5	19.8	8.5	8.8	13.4
McMinnville Rural	46.2	17.3	5.8	11.5	19.2

16.This proposal may be a good idea but its simply too expensive. I would vote no at 2 per thousand.

Total (381)	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Not sure/refused
	15.2	12.6	14.2	42.3	15.7

#### Gender

Male	18.4	17.2	10.9	36.8	16.7
Female	12.6	8.7	16.9	46.9	15

#### Age

18-34	5.6	11.1	27.8	41.7	13.9
35-59	14.4	9.2	15	47.7	13.7
60+	17.7	15.6	10.9	38	17.7

#### Voter History

1 of 4	10.3	12.8	10.3	51.3	15.4
2 of 4	20	8.6	8.6	37.1	25.7
3 of 4	15.8	13.2	15.8	39.5	15.8
4 of 4	12.6	13.8	15.1	47.2	11.3
New Voters	21.6	13.5	21.6	27	16.2

#### Party

Democrat	12.6	10.1	13.4	47.9	16
Republican	22.3	13.8	13.8	37.7	12.3
Independent/NAV	10.6	13.6	15.2	41.7	18.9

#### GeographicArea

McMinnville City	14.3	12.5	15.5	42.2	15.5
McMinnville Rural	21.2	13.5	5.8	42.3	17.3



**17.This proposal will save lives in our community by adding 18 new fire and medical first responders**

Total (381)	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Not sure/refused
	50.1	17.8	7.3	9.7	15

Gender					
Male	44.8	17.8	10.3	12.1	14.9
Female	54.6	17.9	4.8	7.7	15

Age					
18-34	63.9	13.9	2.8	5.6	13.9
35-59	52.9	17.6	4.6	11.8	13.1
60+	45.3	18.8	10.4	8.9	16.7

Voter History					
1 of 4	59	17.9	2.6	10.3	10.3
2 of 4	47.1	17.1	7.1	11.4	17.1
3 of 4	52.6	9.2	11.8	7.9	18.4
4 of 4	49.7	22	5	10.7	12.6
New Voters	43.2	18.9	13.5	5.4	18.9

Party					
Democrat	57.1	17.6	5.9	5	14.3
Republican	44.6	13.8	10.8	15.4	15.4
Independent/NAV	49.2	22	5.3	8.3	15.2

GeographicArea					
McMinnville City	51.1	18.5	7.9	8.5	14
McMinnville Rural	44.2	13.5	3.8	17.3	21.2

**18. In this uncertain economy I would not be able to support an increase in my property taxes. I would oppose**

Total (381)	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Not sure/refused
	17.3	13.1	15.7	39.1	14.7

**Gender**

Male	19	17.2	12.1	35.1	16.7
Female	15.9	9.7	18.8	42.5	13

**Age**

18-34	11.1	19.4	22.2	30.6	16.7
35-59	16.3	5.9	19	44.4	14.4
60+	19.3	17.7	12	36.5	14.6

**Voter History**

1 of 4	25.6	10.3	12.8	41	10.3
2 of 4	22.9	11.4	10	37.1	18.6
3 of 4	17.1	11.8	15.8	35.5	19.7
4 of 4	11.3	15.1	18.9	44	10.7
New Voters	24.3	13.5	16.2	27	18.9

**Party**

Democrat	12.6	10.9	17.6	46.2	12.6
Republican	21.5	15.4	13.8	34.6	14.6
Independent/NAV	17.4	12.9	15.9	37.1	16.7

**Geographic Area**

McMinnville City	17.6	14.3	15.2	39.2	13.7
McMinnville Rural	15.4	5.8	19.2	38.5	21.2

**19. After hearing some of the pros and the cons if an election were held today would you FAVOR or OPPOSE**

Total (381)	Strongly Favor	Somewhat Favor	Somewhat Oppose	Strongly Oppose	Not sure/Refused
	45.7	14.4	9.7	12.6	17.6

**Gender**

Male	40.8	14.9	12.6	16.7	14.9
Female	49.8	14	7.2	9.2	19.8

**Age**

18-34	47.2	22.2	8.3	5.6	16.7
35-59	50.3	13.1	7.8	11.8	17
60+	41.7	14.1	11.5	14.6	18.2

**Voter History**

1 Of 4 Elections	59	10.3	2.6	15.4	12.8
2 Of 4 Elections	38.6	12.9	12.9	12.9	22.9
3 Of 4 Elections	46.1	9.2	11.8	13.2	19.7
4 Of 4 Elections	45.9	20.1	7.5	10.7	15.7
New Voters	43.2	8.1	16.2	16.2	16.2

**Party**

Democrat	50.4	15.1	8.4	6.7	19.3
Republican	38.5	15.4	12.3	18.5	15.4
Independent/NAV	48.5	12.9	8.3	12.1	18.2

**Geographic Area**

McMinnville City	46.5	14.6	10.6	12.2	16.1
McMinnville Rural	40.4	13.5	3.8	15.4	26.9

**20. Merge the McMinnville Fire Department with the McMinnville Rural Fire Protection District at a new tax rate of \$1.80 per thousand of assessed value**

Total (381)	Strongly Favor	Somewhat Favor	Somewhat Oppose	Strongly Oppose	Not sure/Refused
	26.5	20.7	11	23.4	18.4

Gender					
Male	21.3	21.8	13.8	25.9	17.2
Female	30.9	19.8	8.7	21.3	19.3

Age					
18-34	30.6	22.2	11.1	25	11.1
35-59	26.1	22.2	11.1	25.5	15
60+	26	19.3	10.9	21.4	22.4

Voter History					
1 Of 4 Elections	23.1	20.5	15.4	28.2	12.8
2 Of 4 Elections	28.6	17.1	10	21.4	22.9
3 Of 4 Elections	17.1	21.1	15.8	26.3	19.7
4 Of 4 Elections	28.9	23.3	8.2	22.6	17
New Voters	35.1	16.2	10.8	18.9	18.9

Party					
Democrat	30.3	20.2	10.1	19.3	20.2
Republican	20.8	21.5	11.5	29.2	16.9
Independent/NAV	28.8	20.5	11.4	21.2	18.2

GeographicArea					
McMinnville City	26.7	20.4	11.2	24.6	17
McMinnville Rural	25	23.1	9.6	15.4	26.9

## Demographic Totals

	Responses	Percent of Total
Total	381	100

Gender		
Male	174	45.7
Female	207	54.3

Age		
18-34	36	9.4
35-59	153	40.2
60+	192	50.4

Voter History		
1 of 4	39	10.2
2 of 4	70	18.4
3 of 4	76	19.9
4 of 4	159	41.7
New Voters	37	9.7

Party		
Democrat	119	31.2
Republican	130	34.1
Independent/NAV	132	34.6

GeographicArea		
McMinnville City	329	86.4
McMinnville Rural	52	13.6



**McMinnville Fire Department  
 Merger / Tax Rate Benchmark Survey  
 4/15/22  
 Likely Voters, N=381  
 Margin of Error 5%  
 TOPLINE REPORT**

Hello, my name is \_\_\_\_\_. I'm with *Nelson Research*, a public opinion research firm. We are conducting a brief survey today in your area and would like to include your household's opinions. May I please take a few minutes of your time? I promise I'm not selling anything.

First of all, are you registered to vote in the state of Oregon? **(INTERVIEWER: IF NO, POLITELY TERMINATE)**

**GENERAL PERCEPTION SERIES**

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1. Please tell me how you would rate the operation and performance of your local fire and ambulance services ~ EXCELLENT, PRETTY GOOD, ONLY FAIR or POOR?

1. Excellent (GO TO "A")	<b>52.0</b>
2. Pretty Good (GO TO "A")	<b>23.1</b>
3. Only Fair (GO TO "A")	<b>4.7</b>
4. Poor (GO TO "A")	<b>1.8</b>
5. Not Sure/Refused (SKIP TO #2)	<b>18.4</b>

A. Why would you rate the operation and performance of your local fire and ambulance services as (EXCELLENT) (PRETTY GOOD) (ONLY FAIR) (POOR)? (PROBE)



<b>Excellent (N=197)</b>		<b>N=381</b>
Quick response time		17%
Doing an excellent job		8%
From what I've heard/read		6%
Personal experience		5%
Professional		3%
Qualified/well trained staff		2%
Haven't had to use services		2%
Worked for district		1%
Efficient		1%
Good services		1%
Hard working		1%

<b>Pretty Good (N=87)</b>		<b>N=381</b>
Haven't had to use services		4%
Doing a good job		3%
Good response time		3%
From what I've heard/read		2%
Lack of Funding /Resources		1%
Personal experience		1%
Professional		1%

<b>Only Fair (N=18)</b>		<b>N=381</b>
Inadequate staffing levels		2%
Slow response time		1%

<b>Poor (N=7)</b>		<b>N=381</b>
Slow response time		1%

2. Based on what you have heard, read, or experienced, how would you rate the response times of your local fire and ambulance services ~ EXCELLENT, PRETTY GOOD, ONLY FAIR or POOR?

1. Excellent	<b>49.6</b>
2. Pretty Good	<b>27.6</b>
3. Only Fair	<b>2.4</b>
4. Poor	<b>3.4</b>
5. Not Sure/Refused	<b>17.1</b>

3. How important is it to you to have highly trained and experienced fire and ambulance staff in your community ~ VERY IMPORTANT, SOMEWHAT IMPORTANT, SOMEWHAT UNIMPORTANT, or VERY UNIMPORTANT?

1. Very Important		<b>95.3</b>
2. Somewhat Important		<b>3.4</b>
<b>(Total Important)</b>	<b>(98.7)</b>	
3. Somewhat Unimportant		<b>0.3</b>
4. Very Unimportant		<b>0.5</b>
<b>(Total Unimportant)</b>	<b>(0.8)</b>	
5. Not Sure/Refused		<b>0.5</b>

4. Do you believe you receive a good value for what you pay in property taxes for fire and ambulance services? (**STRONGLY/SOMEWHAT**)?

1. Strong YES		<b>50.4</b>
2. Somewhat YES		<b>21.3</b>
<b>(Total YES)</b>	<b>(71.7)</b>	
3. Strong NO		<b>2.9</b>
4. Somewhat NO		<b>4.7</b>
<b>(Total NO)</b>	<b>(7.6)</b>	
5. Not Sure/Refused		<b>20.7</b>

5. Are you aware that the McMinnville Rural Fire Protection District is separate from the McMinnville Fire Department, and contracts with the McMinnville Fire Department for fire services?

1. Yes		<b>38.8</b>
2. No		<b>56.7</b>
3. Not Sure/Refused		<b>4.5</b>

#### **INITIAL BALLOT #1**

**MFD RESPONDENTS ONLY:** Currently, the McMinnville Fire Department operates on a tax rate of \$1.50 per thousand of assessed value.

**RURAL ONLY:** Currently, the McMinnville Rural Fire Protection District operates on a tax rate of 95-cents per thousand of assessed value.

The McMinnville Fire Department and McMinnville Rural Fire Protection District are currently considering a proposal to merge their fire and ambulances services into a single service district and establish a new tax rate to support the combined district. This proposal would allow the



districts to combine operations. After the 2<sup>nd</sup> year, it would add 18 new full-time fire and medical first responders and a new fire inspector position. By the 5<sup>th</sup> year, it would allow the district to start construction on two new rural substations and add three new replacement fire trucks.

**MFD RESPONDENTS ONLY:** The proposal would increase the local fire district property tax rate from \$1.50 per thousand to \$2.00 per thousand of assessed value.

**RURAL RESPONDENTS ONLY:** The proposal would increase the local fire district property tax rate from 95-cents per thousand to \$2.00 per thousand of assessed value.

6. If an election were held today, would you FAVOR or OPPOSE a measure to merge the McMinnville Fire Department with the McMinnville Rural Fire Protection District at a new tax rate of \$2.00 per thousand of assessed value? **(STRONGLY/SOMEWHAT)**

1. Strongly Favor <b>(GO TO "B")</b>		<b>42.8</b>
2. Somewhat Favor <b>(GO TO "B")</b>		<b>21.5</b>
<b>(Total Favor)</b>	<b>(64.3)</b>	
3. Somewhat Oppose <b>(GO TO "B")</b>		<b>8.7</b>
4. Strongly Oppose <b>(GO TO "B")</b>		<b>10.2</b>
<b>(Total Oppose)</b>	<b>(18.9)</b>	
5. Not Sure/Refused <b>(SKIP TO #7)</b>		<b>16.8</b>

B. Why would you (FAVOR) (OPPOSE) the proposed merge? **(PROBE)**

<b>Favor (N=245)</b>	<b>N=381</b>
It's necessity/ It's needed	11%
Population growth	6%
Support the merge of districts	6%
Reduce response time	5%
Protect the community	5%
Support the fire department	4%
New equipment	3%
Needed to improve services	3%
Great value	3%
Favor proposal	2%
Support safety	2%
Create new jobs	2%
Better coverage	2%

<b>Oppose (N=72)</b>	<b>N=381</b>
Taxes are too high	8%
Don't combine districts	2%
Too expensive/lower cost	2%
Need more information	2%
Not needed	1%
Not sure	1%
Rural shouldn't have to pay	1%

**'IF YOU KNEW' SERIES #1**

7. **MFD RESPONDENTS ONLY:** If you knew a new fire district merger at a rate of \$2.00 per thousand would increase existing property tax rates by 50 cents for every thousand dollars in property value, or \$175 per year for the owner of a home with an assessed value of \$350,000, would you FAVOR or OPPOSE the proposed fire district proposal?

(N=329)

1. Strongly favor		37.4
2. Somewhat favor		23.4
<b>(Total Favor)</b>	<b>(60.8)</b>	
3. Somewhat oppose		10.3
4. Strongly oppose		10.9
<b>(Total Oppose)</b>	<b>(21.2)</b>	
5. Not Sure/Refused		17.9

7.B **RURAL RESPONDENTS ONLY:** If you knew a new fire district merger at a rate of \$2.00 per thousand would increase existing property tax rates by \$1.05 for every thousand dollars in property value, or \$365 per year for the owner of a home with an assessed value of \$350,000, would you FAVOR or OPPOSE the proposed fire district proposal?

(N=52)

1. Strongly favor		38.5
2. Somewhat favor		13.5
<b>(Total Favor)</b>	<b>(52.0)</b>	
3. Somewhat oppose		5.8
4. Strongly oppose		23.1
<b>(Total Oppose)</b>	<b>(28.9)</b>	
5. Not Sure/Refused		19.2

8. If you knew the fire district proposal would allow the new fire district to hire 18 new fire and medical first responders after two years, would you FAVOR or OPPOSE the proposal? **(STRONGLY/SOMEWHAT)**

1. Strongly favor		<b>53.0</b>
2. Somewhat favor		<b>19.4</b>
<b>(Total Favor)</b>	<b>(72.4)</b>	
3. Somewhat oppose		<b>7.9</b>
4. Strongly oppose		<b>8.9</b>
<b>(Total Oppose)</b>	<b>(16.8)</b>	
5. Not Sure/Refused		<b>10.8</b>

9. If you knew the fire district proposal would reduce the amount of time on average by 90 seconds for fire and emergency medical personnel to arrive, if you, or a family member had a fire or medical emergency, would you FAVOR or OPPOSE the proposal? **(STRONGLY/SOMEWHAT)**

1. Strongly favor		<b>59.1</b>
2. Somewhat favor		<b>17.1</b>
<b>(Total Favor)</b>	<b>(76.2)</b>	
3. Somewhat oppose		<b>7.1</b>
4. Strongly oppose		<b>7.9</b>
<b>(Total Oppose)</b>	<b>(15.0)</b>	
5. Not Sure/Refused		<b>8.9</b>

10. If you knew the proposal would ensure there is trained local emergency medical staff for every emergency call, would you FAVOR or OPPOSE the measure? **(STRONGLY/SOMEWHAT)**

1. Strongly favor		<b>59.1</b>
2. Somewhat favor		<b>18.9</b>
<b>(Total Favor)</b>	<b>(78.0)</b>	
3. Somewhat oppose		<b>4.5</b>
4. Strongly oppose		<b>8.4</b>
<b>(Total Oppose)</b>	<b>(12.9)</b>	
5. Not Sure/Refused		<b>9.2</b>

11. If you knew the fire district proposal would allow for construction to begin on two new rural substations within 5 years, would you FAVOR or OPPOSE the measure? **(STRONGLY/SOMEWHAT)**

1. Strongly favor		<b>53.0</b>
2. Somewhat favor		<b>17.1</b>
<b>(Total Favor)</b>	<b>(70.1)</b>	
3. Somewhat oppose		<b>7.6</b>
4. Strongly oppose		<b>9.2</b>
<b>(Total Oppose)</b>	<b>(16.8)</b>	
5. Not Sure/Refused		<b>13.1</b>

12. If you knew the proposal would allow for a new fire inspector position to help identify potential hazards and prevent fires before they start, would you FAVOR or OPPOSE the measure? **(STRONGLY/SOMEWHAT)**

1. Strongly favor		<b>52.0</b>
2. Somewhat favor		<b>20.5</b>
<b>(Total Favor)</b>	<b>(72.5)</b>	
3. Somewhat oppose		<b>8.4</b>
4. Strongly oppose		<b>9.2</b>
<b>(Total Oppose)</b>	<b>(17.6)</b>	
5. Not Sure/Refused		<b>10.0</b>

13. If you knew the proposal would allow your local fire agencies to replace an aging fleet with 3 new fire trucks that are better equipped, would you FAVOR or OPPOSE the measure? **(STRONGLY/SOMEWHAT)**

1. Strongly favor		<b>55.1</b>
2. Somewhat favor		<b>20.2</b>
<b>(Total Favor)</b>	<b>(75.3)</b>	
3. Somewhat oppose		<b>5.0</b>
4. Strongly oppose		<b>8.4</b>
<b>(Total Oppose)</b>	<b>(13.4)</b>	
5. Not Sure/Refused		<b>11.3</b>

14. If you knew the proposal would provide a fully operational fire and medical response in half the time that it currently takes, would you FAVOR or OPPOSE the measure? **(STRONGLY/SOMEWHAT)**

1. Strongly favor		<b>61.7</b>
2. Somewhat favor		<b>17.1</b>
<b>(Total Favor)</b>	<b>(78.8)</b>	
3. Somewhat oppose		<b>4.7</b>
4. Strongly oppose		<b>6.0</b>
<b>(Total Oppose)</b>	<b>(10.7)</b>	
5. Not Sure/Refused		<b>10.5</b>

#### **AGREE/DISAGREE SERIES**

Now I am going to read you several statements people have made regarding the proposal to merge the McMinnville Fire Department with the McMinnville Rural Fire Protection District and establish a new tax rate of \$2 per thousand of assessed home value. For each statement, I would like you to tell me if you AGREE or DISAGREE with the statement. **(RANDOMIZE STATEMENTS)**

15. Improved fire and emergency medical services are critical to our community. I'm voting yes to merge the McMinnville Fire Department and the McMinnville Rural Fire Protection District at \$2 per thousand to ensure we improve our current level of services. **(STRONGLY/SOMEWHAT)**

1. Strongly agree		<b>49.1</b>
2. Somewhat agree		<b>19.4</b>
<b>(Total Agree)</b>	<b>(68.5)</b>	
3. Somewhat disagree		<b>8.1</b>
4. Strongly disagree		<b>9.2</b>
<b>(Total Disagree)</b>	<b>(17.3)</b>	
5. Not sure/refused		<b>14.2</b>

16. This proposal may be a good idea but it's simply too expensive. I would vote no at \$2 per thousand. **(STRONGLY/SOMEWHAT)**

1. Strongly agree		<b>15.2</b>
2. Somewhat agree		<b>12.6</b>
<b>(Total Agree)</b>	<b>(27.8)</b>	
3. Somewhat disagree		<b>14.2</b>
4. Strongly disagree		<b>42.3</b>
<b>(Total Disagree)</b>	<b>(56.5)</b>	
5. Not sure/refused		<b>15.7</b>

17. This proposal will save lives in our community by adding 18 new fire and medical first responders and cutting emergency response by a full 90 seconds. I would vote yes at \$2 per thousand to ensure we had this level of protection for our community.

**(STRONGLY/SOMEWHAT)**

1. Strongly agree		<b>50.1</b>
2. Somewhat agree		<b>17.8</b>
<b>(Total Agree)</b>	<b>(67.9)</b>	
3. Somewhat disagree		<b>7.3</b>
4. Strongly disagree		<b>9.7</b>
<b>(Total Disagree)</b>	<b>(17.0)</b>	
5. Not sure/refused		<b>15.0</b>

18. In this uncertain economy, I would not be able to support an increase in my property taxes. I would oppose a fire district proposal that would increase my existing property tax rates. **(STRONGLY/SOMEWHAT)**

1. Strongly agree		<b>17.3</b>
2. Somewhat agree		<b>13.1</b>
<b>(Total Agree)</b>	<b>(30.4)</b>	
3. Somewhat disagree		<b>15.7</b>
4. Strongly disagree		<b>39.1</b>
<b>(Total Disagree)</b>	<b>(54.8)</b>	
5. Not sure/refused		<b>14.7</b>

## **INFORMED BALLOT**

---

19. After hearing some of the pros and the cons, if an election were held today, would you FAVOR or OPPOSE a measure to merge the McMinnville Fire Department with the McMinnville Rural Fire Protection District at a new tax rate of \$2 per thousand of assessed value? **(STRONGLY/SOMEWHAT)**

1. Strongly favor		<b>45.7</b>
2. Somewhat favor		<b>14.4</b>
<b>(Total Favor)</b>	<b>(60.1)</b>	
3. Somewhat Oppose		<b>9.7</b>
4. Strongly Oppose		<b>12.6</b>
<b>(Total Oppose)</b>	<b>(22.3)</b>	
5. Not sure/Refused		<b>17.6</b>

## INITIAL BALLOT #2

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The McMinnville Fire Department and McMinnville Rural Fire Protection District are also considering a scaled-down proposal to merge into a single district and establish a new tax rate at a lesser amount of \$1.80 per thousand of assessed value. This proposal would combine operations and add 9 new full-time fire and medical first responders after two years. However, it would not include other features such as a fire inspector, rural substations, and replacement of aging fire trucks. Finally, it would require a new operating levy after 5 years.

20. If an election were held today, would you FAVOR or OPPOSE a measure to merge the McMinnville Fire Department with the McMinnville Rural Fire Protection District at a new tax rate of \$1.80 per thousand of assessed value? (STRONGLY/SOMEWHAT)

1. Strongly Favor		26.5
2. Somewhat Favor		20.7
<b>(Total Favor)</b>	<b>(47.2)</b>	
3. Somewhat Oppose		11.0
4. Strongly Oppose		23.4
<b>(Total Oppose)</b>	<b>(34.4)</b>	
5. Not Sure/Refused		18.4

## DEMOGRAPHICS

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21. GENDER:

1. Male	45.7
2. Female	54.3

22. AGE: Are you between the ages of ...?

1. 18-34	9.4
2. 35-59	40.2
3. 60+	50.4
4. Not sure/refused	

23. **VOTER HISTORY: (INTERVIEWERS; PLEASE RECORD FROM THE PHONE LIST – SEE INSTRUCTION SHEET FOR PROCEDURE)**

1. Voted in 1 Out Of 4 Elections	<b>10.2</b>
2. Voted in 2 Out Of 4 Elections	<b>18.4</b>
3. Voted in 3 Out Of 4 Elections	<b>19.9</b>
4. Voted in 4 Out Of 4 Elections	<b>41.7</b>
5. New Voters	<b>9.7</b>

24. **POLITICAL PARTY:**

1. Democrat	<b>31.2</b>
2. Republican	<b>34.1</b>
3. Independent/NAV	<b>34.6</b>

25. **GEOGRAPHIC AREA:**

1. McMinnville City	<b>86.4</b>
2. McMinnville Rural	<b>13.6</b>





## **STAFF REPORT**

**DATE:** May 17, 2022  
**TO:** Mayor and City Councilors  
**FROM:** Claudia Cisneros, City Recorder  
**SUBJECT:** Oath of Offices

---

### **Report in Brief:**

Municipal Court Judge interviews were held on April 14, 2022; the top two candidates were invited back for a special called Executive Session with City Council on April 19, 2022. At the April 26, 2022, City Council Regular Meeting Council nominated and appointed Arnold Poole as the next McMinnville Municipal Court Judge.

Honorable Circuit Court Judge Cynthia Kaufman-Noble will administer the Oath of Office for Municipal Judge appointment.

Mayor Hill announced his resignation at the April 12, 2022, effective May 24, 2022. At the April 26, 2022, Council President was voted to Interim Mayor.

Mayor Scott A. Hill will administer the Oath of Office for Interim Mayor appointment.

### **Attachments:**

- Oath of Office for Municipal Court Judge – Arnold Poole
- Oath of Office for Interim Mayor – Remy Drabkin



May 24, 2022

STATE OF OREGON	)	
County of Yamhill	) ss.	OATH OF OFFICE
City of McMinnville		)

I, **ARNOLD POOLE**, do solemnly swear (or affirm) that I will support the Constitution of the United States and of the State of Oregon, and that I will, to the best of my ability, perform the duties of the office of **Municipal Court Judge**, of the City of McMinnville during my continuance therein, so help me God.

\_\_\_\_\_

Arnold Poole

Subscribed and sworn to before me this 24<sup>th</sup> day of May, 2024.

\_\_\_\_\_

Cynthia Kaufman Noble, Honorable  
Circuit Court Judge



May 24, 2022

STATE OF OREGON	)	
County of Yamhill	) ss.	OATH OF OFFICE
City of McMinnville	)	)

I, **REMY DRABKIN**, do solemnly swear (or affirm) that I will support the Constitution of the United States and of the State of Oregon, and that I will, to the best of my ability, perform the duties of the office of **Interim Mayor**, of the City of McMinnville during my continuance therein, so help me God.

\_\_\_\_\_  
Remy Drabkin

Subscribed and sworn to before me this 24<sup>th</sup> day of May, 2024.

\_\_\_\_\_  
Scott A. Hill, Mayor

# PROCLAMATION

**Whereas**, Mayor Hill after winning in the November 2, 2004 General Election Hill took office on January 1, 2005 as a City Councilor;

**Whereas**, Mayor Hill was appointed McMinnville City's Mayor, on December 13, 2016, to fill the unexpired term of Mayor Rick Olson and was elected as Mayor at the November 8, 2016, through General Election; and

**Whereas**, Mayor Hill has volunteered for and served 29 years on the City of McMinnville Budget Committee; 12 years on the City Council; including two years as Council President, and 5 ½ years as Mayor; and

**Whereas**, Mayor Hill has also served on the McMinnville Urban Renewal Advisory Committee, McMinnville Urban Renewal Agency (Chair), McMinnville Water & Light Commission, Visit McMinnville Board, Mid-Willamette Area Commission on Transportation, Yamhill County Parkway Committee, and Northwest Public Power Association Board. And participated in Yamhill County Leadership Roundtable, Mac Leadership Council Meetings, and Yamhill County Emergency Management Committee, in his tenure as an elected official; and

**Whereas**, Mayor Hill has extended his reach far beyond the City sharing tested ideas that worked in McMinnville with other Mayors, saving our main thoroughfares from rerouted heavy truck traffic, and representing the City and the Parkway committee at the state legislature to name a few; and

**Whereas**, Mayor Hill served as inspiration for other leaders in the area through his dedication, involvement, passion, inquisitiveness, inclusiveness and friendship; and

**Whereas**, Mayor Hill's family has been a strong support system to him over his years of service; and

**Whereas**, Mayor Hill's sense of service and commitment to the community is valued by the citizens of the City of McMinnville.

**NOW, THEREFORE**, I, Remy Drabkin, Interim Mayor of the City of McMinnville do hereby proclaim **May 24, 2022** as

## **Scott A. Hill Day**

in the City of McMinnville and urge citizens to reflect on the passion and leadership of this caring and community-minded Mayor who is leaving a legacy behind.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the OFFICIAL Seal of the City of McMinnville to be affixed this 24<sup>th</sup> day of May, 2021.

---

Remy Drabkin, Interim Mayor

**From:** [Mark Davis](#)  
**To:** [Claudia Cisneros](#)  
**Subject:** Public Hearing Comment  
**Date:** Monday, May 23, 2022 7:54:13 AM

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**This message originated outside of the City of McMinnville.**

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Claudia,

I will be unable to attend the council meeting on Tuesday. Please enter the following comment in the record for the hearing on creating the Affordable Housing budget item:

Mayor Hill and Members of the City Council,

I support the staff proposal to create a separate fund to track the City's support of Affordable Housing. Having this account will help highlight the City's ongoing commitment to create housing for everyone who lives and works in the community. I appreciate all the Council's support for these efforts, and especially those of incoming Mayor Drabkin and Councilor Menke for their work in the Affordable Housing Committee.

Mark Davis

**From:** [Morris Inc.](#)  
**To:** [Claudia Cisneros](#)  
**Subject:** Council Letter for Meeting 5-24-2022  
**Date:** Monday, May 23, 2022 5:17:15 PM  
**Attachments:** [We sent you safe versions of your files.msg](#)  
[Dear City Councilors and Mayor 5-23-2022.docx](#)

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Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

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**This message originated outside of the City of McMinnville.**

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Claudia,

Please provide this to the City Council, Mayor Hill and appropriate staff for inclusion in tomorrow's meeting packet.

Sincerely,

Mike Morris

Dear City Councilors and Mayor,

I'm writing to you today following the viewing of the entire 2 day budget meetings last week along with conversations with Councilors Chenoweth, Garvin and Drabkin.

I want to voice my support for up to \$3,400,000.00 in funding to balance the budget for fiscal year 2022-2023 provided those funding sources are thoroughly vetted prior to being voted on by Council. I would also like to see a "Sunset Clause" tied to those funding sources with the intent that a long range funding solution be found through an official City Task Force made up of business and community leaders.

Lastly I'm writing this today strictly as a citizen of McMinnville and speaking only for myself.

Sincerely,

Mike Morris

935 NW 19<sup>th</sup> Street

McMinnville, Oregon.

**From:** [Mark Pitts](#)  
**To:** [Claudia Cisneros](#)  
**Subject:** Re: Speaking at May 24th City Council Meeting  
**Date:** Monday, May 23, 2022 7:14:20 PM  
**Attachments:** [We sent you safe versions of your files.msg](#)  
[Immediate moratorium on short-term rentals.docx](#)

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Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

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**This message originated outside of the City of McMinnville.**

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Hi Claudia--I got covid and couldn't attend the May 10 meeting but I'll plan to be at the meeting Tuesday the 24th. Here are some notes I'd like the council to have in advance. Is there anything else you need from me? Thanks!

Mark Pitts  
Mark Pitts  
McMinnville OR  
Jeremiah 9:23-24

On Fri, May 6, 2022 at 7:57 AM Claudia Cisneros  
<[Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov)> wrote:

Thank you Mark, see you on May 10<sup>th</sup>.

---

**From:** Mark Pitts <[m49pitts@gmail.com](mailto:m49pitts@gmail.com)>  
**Sent:** Thursday, May 5, 2022 9:05 PM  
**To:** Claudia Cisneros <[Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov)>  
**Subject:** Re: Speaking at May 24th City Council Meeting

**This message originated outside of the City of McMinnville.**

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Hello Claudia--after hearing back from Zack Geary, even though the May 10 agenda is full, I'll plan to attend and request to speak then. I'll get you some notes before that time.



Thanks again.

## Mark Pitts

Mark Pitts  
McMinnville OR  
Jeremiah 9:23-24

On Thu, May 5, 2022 at 2:48 PM Claudia Cisneros  
<[Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov)> wrote:

Hello Mark,

You are welcome to come and speak under public comment, as anyone from the public is open to doing this at any council meeting. If appearing via zoom please fill out the attached public comment card but if you appear in person you can fill one out when you arrive. You can provide me with any written documents and I will forward to Council and they will be made part of the record after the meeting. Public comments are limited to 3 minutes.

Please let me know if you have any questions.

Thank you,

Claudia

---

Claudia Cisneros



[Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov)

City Recorder

City of McMinnville

230 NE Second Street

McMinnville, OR 97128

503-435-5702

**Website:** <http://www.mcminnvilleoregon.gov> | [Recorder Page](#) |

PUBLIC RECORDS LAW DISCLOSURE: Messages to and from this e-mail address are public records of the City of McMinnville and may be subject to public disclosure. This e-mail is subject to the State Retention Schedule.

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**From:** Mark Pitts <[m49pitts@gmail.com](mailto:m49pitts@gmail.com)>

**Sent:** Thursday, May 5, 2022 2:41 PM

**To:** Claudia Cisneros <[Claudia.Cisneros@mcminnvilleoregon.gov](mailto:Claudia.Cisneros@mcminnvilleoregon.gov)>

**Subject:** Speaking at May 24th City Council Meeting

**This message originated outside of the City of McMinnville.**

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Hello Claudia--I'm understanding from the city council web site that I should e-mail you regarding the city council agenda.

Our neighborhood (Ward 2, 21st Street just east of Michaelbook) is concerned about an application for a short term rental being made for one of the homes in the neighborhood.

I've spoken with Zack Geary and he encouraged me to come to speak (briefly) at a city council meeting. Could I be put on the agenda for the meeting May 24th? Could I follow up with a couple of pages of background information? Is there anything further that I should know or do? Thanks for your help.

Mark Pitts

Mark Pitts  
McMinnville OR  
Jeremiah [9:23-24Claudia.Cisneros@mcminnvilleoregon.gov](mailto:9:23-24Claudia.Cisneros@mcminnvilleoregon.gov)

**Request for immediate moratorium on short-term rentals  
and  
For creation of a stricter short-term rental application policy and  
procedure**

**Mark Pitts  
Ward 2  
785 NW 21st Street  
971-241-3770**

**1. Current policy is highly favorable to short-term rentals.**

- a. It would allow every other house in a neighborhood to be approved as a short-term rental
- b. A city official in the Planning Department was not able to recall any application having been denied and indicated that the application process is not set up to deny STR applications.
- c. The use of a management company appears to create a buffer between neighborhood concerns and the city.

**2. Statistics indicate that demand for permanent, affordable housing in McMinnville is high while demand for short-term rentals and hotel rooms is moderate at best.**

- a. For example, according to “Rockethomes.com”, single-family home prices increased 9% from March to April and days to sale decreased from 33 to an average of 13 days, indicating a high demand for permanent, single-family homes.
- b. In contrast, short term rental industry site “AlltheRooms.com” indicates a current 40% occupancy rate in McMinnville’s short term rentals, and
- c. “Visit McMinnville” indicates a 63% hotel room occupancy rate during all of 2021 and an even lower 59% occupancy rate during the first 3 months of 2022, even before an additional hotel is scheduled to come online later this spring.
- d. We can speculate about how much those occupancy rates might increase as the pandemic decreases, but two responses to that:

- i. Comparing high ACTUAL demand for permanent family homes to speculation about improvement in a weak to moderate short-term rental and hotel market is comparing apples and oranges and does NOT make a strong case for continuing the current highly STR-friendly application process.
- ii. Two recent surveys by the Economic Policy Institute indicated that the lack of short-term rental spaces did not have a statistically significant impact on whether tourists chose to visit an area or not.

**3. I'd be thrilled if McMinnville had a 10-year moratorium on short-term rentals in residential areas, but if a policy is to be reinstated after the moratorium, some suggested nuances:**

- a. Base reinstatement of a STR application policy on actual community need. Monitor hotel and STR occupancy rates and begin considering new applications when occupancy rates on existing facilities reach a justifiable percentage--80-90%
- b. Make unlicensed short-term rentals explicitly illegal.
- c. Establish an STR tourism zone convenient to restaurants and shopping --an overlay district pertaining just to the subject of transient rentals rather than allowing them to sprout up all over the city in residential areas.
- d. Include immediate neighbors of STR's on the committee developing the revised policy
- e. Require a minimum one-week stay to assure limited traffic through the facility.
- f. Require a 24 hour maximum garbage bin pickup cycle to assure garbage left out on Monday from weekend guests isn't left until a Thursday pickup, for example.
- g. Require commercial liability insurance.
- h. Reference specific city noise, nuisance, alcohol ordinances within the criteria for consideration/reconsideration of short-term rental applications.
- i. Create a city-based complaint structure (in addition to the use of a management company) through which close neighbors can

report problems and issues to the city, or possibly even a mediation structure for disputes.

- j. Include a clear revocation procedure in the revised short-term rental policy for a rental that proves to be a detriment to the neighborhood.

**4. Some contextualization and next steps:**

- a. This is a first world problem. Life goes on in our neighborhood, whatever happens, and I'm grateful to the city council for all they do that makes our neighborhood a pleasant place to live.
- b. That said, I am puzzled by why we would be facilitating the sale of homes to be used as short term rentals when our young families--teachers and police and firefighters--are struggling to find affordable housing.
- c. I'm also puzzled by why people worry about the prospect of Costco on 18 in 4-5 years when they could have a commercial enterprise literally 20 feet away in two months if the house next door is approved as an STR.
- d. With that in mind, I'll be writing a letter to the editor, putting some questions on Next Door, and asking candidates for city council publicly what their positions are on this issue and why.
- e. I'd like to thank MY councilman, Zack Geary who, without taking a specific position, was kind and helpful and generous with his time in two phone calls and an e-mail.

## STAFF REPORT

**DATE:** May 24, 2022  
**TO:** Jeff Towery, City Manager  
**FROM:** Jennifer Cuellar, Finance Director  
**SUBJECT:** FY2021-22 Supplemental Budget and Creation of Affordable Housing Fund

---



### CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

**Report in Brief:** The proposed resolution establishes the Affordable Housing Fund and appropriates spending in FY2021-22 in the fund through a Supplemental Budget action.

#### **Discussion of Resolution Action:**

Oregon Revised Statute (ORS) 294.471 allows a local government to prepare a supplemental budget when an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning.

On April 26, 2022, the City Council adopted Ordinance No. 5112, thereby creating an Affordable Housing Construction Excise Tax (AHCET). This ordinance goes into effect on 7/1/2022. When city programming is supported by on-going restricted funding, such as the case with the AHCET, a new special revenue fund is typically created.

In addition, to AHCET revenues, staff proposes that all housing related programming supported by grants also be included in the new special revenue fund.

In FY2020-21, \$1.5 million in state funds were received to support affordable housing – a grant for a navigation center. The details on this funding were not known at the time of creating the FY2021-22 budget.

Rather than do a supplemental budget to add this grant to the Grants and Special Assessment Fund, staff proposes that the new Affordable Housing Fund be created during the current fiscal year to account for the above-mentioned \$1.5 million grant and use the supplemental budget action to add the grant to that fund instead.

When a supplemental budget changes a fund's appropriated expenditures by more than 10%, a public hearing is required. Because the Affordable Housing Fund did not exist at the time of the adoption of the FY2021-22 budget, the appropriation change is effectively 100% and a public hearing is necessary prior to considering this resolution. The public hearing notice was published in the News Register on May 13, 2022.

#### **Fiscal Impact:**

This action does not cost the City anything and adopting it will properly allow us to budget for the unanticipated grant funds that we do have in hand.

**Recommendation:** Staff recommends adoption of the staff proposal.

**Documents:**

1. Resolution 2022-34 Establishing a New Affordable Housing Fund, adopting a FY2021-22 supplemental budget and making supplemental appropriations



## RESOLUTION NO. 2022 - 34

A Resolution Establishing a New Affordable Housing Fund, Adopting a Supplemental Budget for Fiscal Year 2021-2022 and Making Supplemental Appropriations.

### RECITALS:

**Whereas**, This resolution proposes establishing an Affordable Housing Fund due to the passing of Ordinance No. 5112 adopting an Affordable Housing Construction Excise Tax (AHCET) on April 26, 2022. This fund will account for the revenues and expenses associated with the AHCET as well as grants or other funding sources supporting affordable housing initiatives in the City of McMinnville; and

**Whereas**, In the current fiscal year, state funds to support a navigation center in the amount of \$1.5 million were received. A portion of those funds is projected to be spent prior to the end of the current fiscal year and the balance will be held for future budget periods as an ending fund balance; and

**Whereas**, At the time of adopting the FY2021-22 McMinnville Budget, the City had not received notice of these funds in time to include the award from the State of Oregon in its budget. Because the purpose of this grant is to support affordable housing programming, this grant will be included in the Affordable Housing Fund through this supplemental budget action; and

**Whereas**, Oregon Revised Statute (ORS) 294.471 allows a local government to prepare a supplemental budget when an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning. The governing body must adopt a resolution to adopt the supplemental budget and make any necessary appropriations; and

**Whereas**, Because the supplemental budget for the Affordable Housing Fund's expenditures are changed by more than 10%, a public hearing is required. The hearing was noticed on May 13, 2022 and held on May 24, 2022.

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

1. **Establish a new Fund:** The Common Council of the City of McMinnville establishes the Affordable Housing Fund.
2. **Adopt the following Supplemental Budget:** The Common Council of the City of McMinnville adopts the following Supplemental Budget for 2021-2022 in the Affordable Housing Fund.

3. **Make Supplemental Appropriations:** The additional appropriations for fiscal year 2021-2022 are hereby appropriated as follows:
4. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

### Affordable Housing Fund

	Adopted Budget	Budget Adjustment	Amended Budget
<b>Resources:</b>			
Intergovernmental	0	1,500,000	1,500,000
Total Resources	0	1,500,000	1,500,000
<b>Requirements:</b>			
Affordable Housing Expenses	0	300,000	300,000
Total Requirements	0	300,000	300,000
<b>Designated Ending Fund Balance</b>	0	1,200,000	1,200,000
	0	1,200,000	1,200,000

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of May 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 24th day of May 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
Interim City Attorney

\_\_\_\_\_  
City Recorder

## **PROCESS SUGGESTION**

Build on Staff and Budget Committee work

### **BRIDGE/GAP FUNDING**

-Mayor to convene City Policymakers and MWL Policymakers (not to exceed a quorum), review City Staff research and recommendations, find alignment, and present to Council.

-Council to approve amended budget on or before June 28, 2022

## **LONG TERM FUNDING**

-Understand effects of/if Fire District

-Establish Partner Task Force

Identify efficiencies and long-range revenue source

Vote or Council action

## **GOALS**

-Return ARPA funds out of operating revenue

-Focus on Strategic Plan - MacTown 2032

## STAFF REPORT

**DATE:** May 24, 2022  
**TO:** Jeff Towery, City Manager  
**FROM:** Jennifer Cuellar, Finance Director  
**SUBJECT:** Sustainable Resources: Recap of available options

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### Strategic Priority and Goal:



#### **CITY GOVERNMENT CAPACITY**

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

### Report in Brief:

In the event that the Council may want to act on one or more sustainable resource options presented and discussed over the last several months to support the FY2022-23 general fund budget and beyond, the following previous staff reports and attachments are resubmitted for your review:

1. Staff Report from Jeff Towery included in the 4/26/2022 packet (which includes as an attachment the Staff Report from Jennifer Cuellar included in the 4/12/2022 packet)
2. Staff Report from Jennifer Cuellar included in the 3/22/2022 packet (which includes as an attachment the Staff Report from the 2/16/2022 packet)

The first item is focused on franchise fee and related sustainable revenue sources as an alternative to the city services charge.

The second item is focused on the city services charge that was included as the preferred new sustainable resources option coming out of public discussions including the full Budget Committee in the summer and fall of 2021. The option of considering franchise fees in combination with a city services charge was also a component of this information.

Slides presented at the 4/26/2022 and 4/12/2022 meetings with more details on revenue projections at different percent franchise fees, the city service charge and benchmarking the utilization of the various options against similarly sized cities in Oregon are also included as attachments.

### Discussion:

The week of May 16, 2022 will be focused on the FY2022-23 City of McMinnville budget with the Budget Committee working two nights together, with a third evening noticed should it be needed, to receive public comment, to hear presentations on and discuss the FY23 Proposed McMinnville budget and vote on an approved FY23 McMinnville budget.

In the event that Council may want to have further discussion and potentially adopt sustainable resources that would have an impact on the FY23 budget either as additional revenue and/or in place of the \$1.8 million in American Rescue Plan Act dollars used to balance the updated FY2022-23 proposed budget, this agenda item has been added to the 5/24/2022 meeting schedule.

At the Council's 4/26/2022 meeting, a public hearing was held regarding resolutions:

1. 2022-19 updating the payment in lieu of tax (PILOT) payment received from McMinnville Water and Light on consumer electric utility costs
2. 2022-20 revising the Wastewater Services Franchise fee
3. 2022-21 establishing a water franchise fee
4. 2022-22 establishing an electric franchise fee

Council voted that night to bring all customers' PILOT fees to a uniform 6% with a phase up program negotiated with Cascade Steel. This negotiation has been completed and Cascade Steel will begin paying 4.5% PILOT starting September 2022 and 6% starting in September 2023.

Council also voted the night of 4/26/2022 to increase the Wastewater Franchise fee from 5% to 6%.

The financial impact of these decisions is included in the updated FY23 proposed budget data.

Establishing new franchise fees on either water or electric utilities was not approved by Council and these resource options were removed for the updated FY23 proposed budget.

At the 3/22/2022 work session, the Council chose not to move forward on a city services charge at that time.

### **Attachments:**

1. Staff Report from Jeff Towery included in the 4/26/2022 packet
2. Staff Report from Jennifer Cuellar included in the 3/22/2022 packet
3. Slides from 4/26/2022 meeting
4. Slides from 4/12/2022 meeting

## STAFF REPORT

**DATE:** April 26, 2022  
**TO:** Mayor and City Councilors  
**FROM:** Jeff Towery, City Manager  
**SUBJECT:** Supplement to April 12 Staff Report – Sustainable Resources: FY23 Franchise Fees

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### Strategic Priority and Goal:



#### **CITY GOVERNMENT CAPACITY**

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

### Report in Brief:

After receiving written and verbal public testimony and holding the subsequent discussion on April 12<sup>th</sup>, the City Council called for a public hearing on April 26<sup>th</sup> to give additional opportunity for public feedback on these potential action items. In addition, a majority of the Council expressed support for raising the electric payment in lieu of tax (PILOT) for Cascade Steel and Aire Liquide from 3% to 6% and appeared open to phasing that increase in over some period of time.

### Discussion:

Staff has crafted an additional option for the Council's consideration that limits the PILOT to 6% and relies on increasing the existing wastewater franchise fee to 6% and establishing 6% franchise fees for the water and electric utilities. This approach would raise slightly more revenue than Option 2 and would keep the City's franchise fees within the typical range for such fees in Oregon. The Mayor and City Manager have met with representatives from Cascade Steel and plan to meet again with both Cascade Steel and McMinnville Water & Light and will provide a report and perhaps specific recommendations to the Council on April 26<sup>th</sup>.

<b>Estimates for additional resources</b>		<b>New Option</b>	<b>Residential %</b>	<b>Commercial-Industrial %</b>
Payment in Lieu of Tax (PILOT)	481,000	all pay 6%	34%	66%
Electric Franchise Fee	2,543,000	6% franchise fee	34%	66%
Water Franchise Fee*	272,000	6% franchise net revenue	58%	42%
Wastewater Franchise Fee	105,000	6% franchise fee	77%	23%
<b>Total Additional Revenue</b>	<b>3,401,000</b>		<b>37%</b>	<b>63%</b>

\*Net amount noted, assumes \$200k annual water costs plus franchise percentage

### Attachments:

1. Jennifer Cuellar, Finance Director Staff Report from 04-12-2022 City Council Packet
2. Resolution 2022-19 (Staff Propose Alternate), Payment in Lieu of Tax
3. Resolution 2022-19 (Original), Payment in Lieu of Tax
4. Resolution 2022-20 (Staff Propose Alternate), Wastewater Franchise Fee
5. Resolution 2022-20 (Original), Wastewater Franchise Fee
6. Resolution 2022-21 (Staff Propose Alternate), Water Franchise Fee
7. Resolution 2022-21 (Original), Water Franchise Fee
8. Resolution 2022-22 (Staff Propose), Electric Service Franchise Fee



## STAFF REPORT

**DATE:** April 12, 2022  
**TO:** Jeff Towery, City Manager  
**FROM:** Jennifer Cuellar, Finance Director  
**SUBJECT:** Sustainable Resources: FY23 Franchise Fees

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### Strategic Priority and Goal:



#### CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

### Report in Brief:

At the Council's 6/22/2021 meeting, the governing body adopted its 2021 Annual Goals; included among them is the following goal under City Government Capacity:

*Right-Size Services: Address insufficient resources by finding new sustainable funding sources: Looking for ways to bring additional revenue into the City's general fund*

This goal came following the difficult FY2021-22 budget decisions which required service cuts and in recognition of the long-term trend of leaning on reserves to backfill budget gaps and pay for general operating activities. New sustainable resources are required to support a steady state budget relative current service levels as they cannot be supported by the traditional mix of property tax and existing general fund revenue sources such as franchise fees, state shared revenues, and fees for service. A commitment to rebuild reserves; make prudent investments in facilities maintenance and capital equipment replacement; and meet MacTown 2032 strategic plan goals with new programming require an even more substantial level of additional resources.

At the work sessions on 2/16/2022 and 3/22/2022, concrete options to add sustainable resources to the City of McMinnville General Fund were presented and discussed by Council and the Budget Committee (with the McMinnville Water and Light's Commission also in joint session at the February meeting). These deliberations, as well as input from the series of meetings undertaken over the last year on sustainable resources and core service delivery, indicates that Council is interested in acting on this 2021 goal to assure service level continuity and, in some priority areas, improvements in core service delivery. The importance of addressing deferred maintenance and capital equipment replacement as well as offering new programming to serve MacTown 2032's strategic goals and priorities has also been a theme many Council and Budget Committee members have stressed in these public meetings.

A decision on three resolutions is sought at the Council meeting of 4/12/2022. In addition, guidance on preferred approach for addressing the impact of a higher franchise rate for wastewater is also requested.

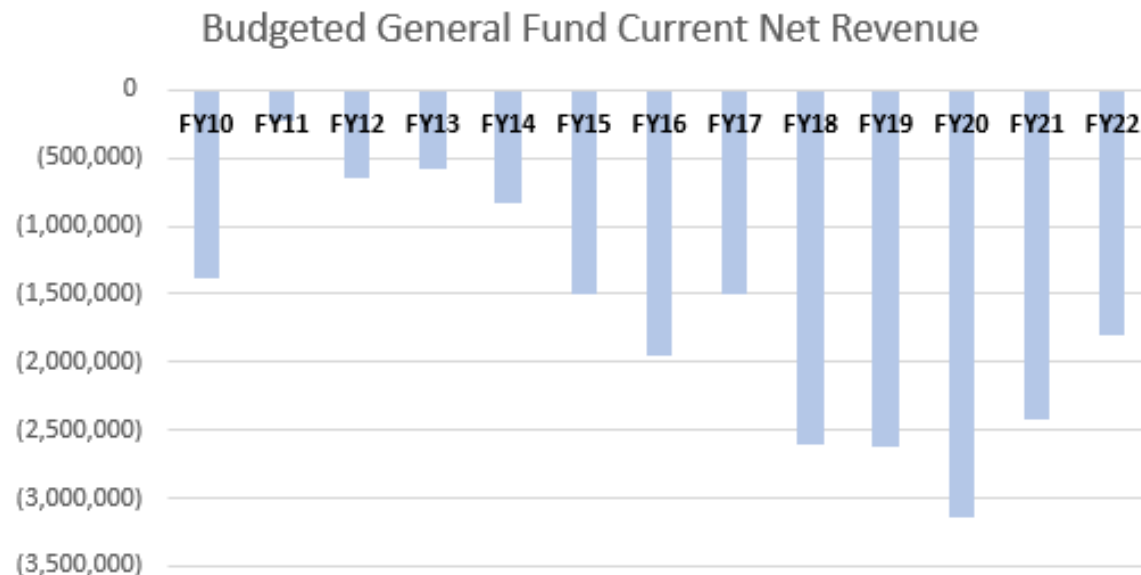


## Discussion:

The primary vehicle discussed for increasing stable funding for the City of McMinnville has been establishing a City Services Charge. While staff has received indication of the preferred charge structure (option 3 of the 4 structures described by our rate consultant Deborah Galardi), concerns about the timing of this new charge relative the Fire District ballot measure indicate that there is more interest in focusing efforts on franchise and payment in lieu of tax (PILOT) for the FY2022-23 budget cycle. In addition, the complexities of implementing a service charge in partnership with McMinnville Water and Light, the City of McMinnville's municipal utility component unit, mean that it would pragmatically not be ready for next year's budget starting July 1, 2022.

A mix of two franchise fees and PILOT will combine to raise resource levels for general fund core services including police, fire, library, parks and recreation, short- and long-term planning efforts and municipal court, among others. The amount of resources to be generated depend on the fee levels across the three municipal fee types, all funding mechanisms that are commonly utilized by Oregon cities to support general fund activities that McMinnville seeks to stabilize and strengthen with time.

The budget gap staff is working to close for FY2022-23 for a steady state budget – one that does not include add packages – is consistent with the largest negative net revenue general fund budget adopted for FY2019-20.



### Option 1:

At one end of the spectrum, Council might opt to establish a water franchise fee at 5%, consistent with the current wastewater franchise fee, and remove the subsidy for industrial electric customer contribution to PILOT. Currently, industrial customers pay 3% while all other commercial and residential electric utility payers are charged double that rate at 6%. This would generate approximately \$700,000 more general fund revenue in FY2022-23.

At this level of new sustainable revenues, it would require staff to present a budget that strips out routine building maintenance and capital investments as well as a reduction in service levels relative to the staffing capacity and program costs present in the current

fiscal year. No investments in raising the service delivery level of any core services from below base to base or adding capacity in new initiatives envisioned by MacTown 2032 could be contemplated.

**Estimates for additional resources - Option 1**

			<b>Resid %</b>	<b>Biz-Industrial %</b>
Payment in Lieu of Tax (PILOT)	500,000	all pay 6%	34%	66%
Water Franchise Fee*	205,000	5% franchise net revenue	58%	42%
Wastewater Franchise Fee	0	5% franchise fee (unchanged)	77%	23%
<b>Total Additional Revenue</b>	<b>705,000</b>		<b>41%</b>	<b>59%</b>

\*Net amount noted, assumes \$200k annual water costs

Staff does not recommend Option 1 as it would result in a FY2022-23 budget requiring general fund service level reductions.

**Option 2:**

Staff recommends that the Council set the payment rates for all three of these revenue streams at 10%. This proposed action would also remove the significant subsidy that heavy industrial customers have enjoyed relative all other electric utility customers since it was first established over thirty years ago by the City Council in 1990.

**Estimates for additional resources - Option 2**

			<b>Resid %</b>	<b>Biz-Industrial %</b>
Payment in Lieu of Tax (PILOT)	2,175,000	all pay 10%	34%	66%
Water Franchise Fee*	605,000	10% franchise net revenue	58%	42%
Wastewater Franchise Fee	535,000	10% franchise fee	77%	23%
<b>Total Additional Revenue</b>	<b>3,315,000</b>		<b>45%</b>	<b>55%</b>

\*Net amount noted, assumes \$200k annual water costs

This estimated funding injection totals \$3.3 million, enough to allow for a steady state budget along with basic facilities maintenance and capital investments. It also stretches to make some targeted advances on improving core service delivery levels from below base to base and MacTown2032 priority investments that in past years have not been possible.

While this amount is substantial, budget challenges would still be faced in terms of continuing to make progress on budgeted reserve targets as well as with core services investments and MacTown 2032 programming. We anticipate new resources will also be required to meet state mandates and our own local aspirations to better serve historically marginalized communities, address climate change and build resiliency in the face of potential natural disasters, while also future proofing our community so that it remains affordable and desirable to live and work in for new generations of upper-Willamette Valley Oregonians.

It merits noting that 10% will be among the highest franchise and PILOT rates in the state. Despite this unfavorable benchmark, this solution represents the best - and most realistic - funding strategy still open to the Council that can be enacted and implemented for the FY2022-23 budget year.

In December 2021, the City Manager and Mayor met with the Chief of Steel Operations and Business Performance of Schnitzer Steel Industries, Inc., the parent company of Cascade Steel. Among the topics of conversation was the PILOT subsidy and rate

generally. Mr. Ruckwardt expressed concerns about making changes to the PILOT because the steel industry is “a very cyclical commodity business with relatively low margins.” He shared Schnitzer Steel’s response to rule changes at the state level on Oregon’s Climate Protection Program (attached).

In terms of equity associated with the balance of resident to commercial and industrial contributions towards new sustainable resources for city programming, the weighted average contribution for this proposed combination of actions is 45% residential and 55% commercial and industrial customers. This compares favorably with 82% residential to 18% commercial and industrial estimates for the favored Option 3 of the City Service Charge rate structure.

When the lay of the land is clearer regarding the significant choices that will be brought to McMinnville voters in the next 6 to 24 months regarding the creation of a new fire district and a bond measure to support new recreation and library facilities, a rebalancing of franchise fees, PILOT rates and even a city services charge can be made so that the City’s funding is equitably shouldered by all the beneficiaries of great city services – all McMinnville’s residents and business owners, large and small, operating in town.

### **Wastewater Rate Recommendation Input Needed**

At the 3/22/2022 work session, a wastewater utility rate study presentation was given. The recommendation of no rate increase for FY2022-23 included the assumption that the wastewater franchise fee would remain 5%. City staff seek input from Council as to preferences for how to proceed given decisions made tonight on an increase to the wastewater franchise fee:

1. Maintain a 0% wastewater rate increase for FY2022-23 and consider lower fund balance/higher rate increases in future years as part of FY2023-24 fiscal planning
2. Increase wastewater rates by the same amount of the franchise fee rate increase, thus keeping long range financial projections on same trajectory
3. Phase in wastewater rate increase by half on 7/1/2022 and the other half on either 1/1/2023 or 7/1/2023

Based on feedback from Council, staff will run the data through the rate model and come back with a refined recommendation and action, as needed, on FY2022-23 wastewater rates.

### **McMinnville Water and Light partnership**

While less complicated than work required with the City Services Charge, implementation of a new water franchise fee and updates to the wastewater franchise fee and PILOT will impact the City’s utility component unit, McMinnville Water and Light. As the Council makes these decisions, it is effectively instructing McMinnville Water and Light staff, as well as City staff, to execute these resolutions in time for a 7/1/2022 start date.

Concerns from McMinnville Water and Light’s appointed Commissioners and staff have been raised regarding the new revenue options under consideration this last year. City employees will continue to partner with utility staffers to address implementation issues with the goal of efficient business processes with strong internal control frameworks.

### **Fiscal Impact:**

These discussions will have an impact on the City’s financial sustainability and ability to maintain services in the FY23 budget cycle and beyond.

To meet budget process deadlines and allow the Council, Budget Committee and public ample time to review the proposed budget prior to mid-May public meetings, staff had to include assumptions on new revenues for the City and includes Option 2 assumptions in the balanced, proposed budget. Should Council choose a different revenue path, staff will prepare a companion document that describes the programming and budgetary impacts of a smaller or larger revenue estimate for the general fund in FY2022-23.

**Attachments:**

1. Resolution 2022-19, Payment in Lieu of Tax
2. Resolution 2022-20, Wastewater Franchise Fee
3. Resolution 2022-21, Water Franchise Fee
4. Schnitzer comments on rulemaking to Oregon Department of Environmental Quality on the Climate Protection Program

**RESOLUTION NO. 2022-19**

A Resolution Establishing an In-Lieu-Of Tax Payment of Six Percent (6%) by the Water and Light Commission to the City of McMinnville from the Electric Utility and Repealing Resolution Nos. 1988-31, 1990-4, and 2003-14.

**RECITALS:**

**Whereas**, the Water and Light Commission is authorized and empowered by City Charter to act on behalf of the City in the management, operation, and acquisition of electricity; and

**Whereas**, ORS 225.270 provides that a municipal electric utility shall pay to the City not less than three percent (3%) of the annual gross operating revenue of such utility; and

**Whereas**, since 1961, the Water and Light Commission has paid to the City in-lieu-of tax payments at a rate of six percent (6%); and

**Whereas**, in 1988, the City Council, via Resolution No. 1988-31, established an in-lieu-of tax payment by the Water and Light Commission of six percent (6%) of annual gross operating revenue except for heavy industrial users that had a rate of four and one-half percent (4.5%); and

**Whereas**, in 1990, the City Council, via Resolution No. 1990-4, again required an in-lieu-of tax payment by the Water and Light Commission of six percent (6%) of annual gross operating revenue, but it reduced the rate for heavy industrial users from four and one-half percent (4.5%) to three percent (3%); and

**Whereas**, the City Council, via Resolution No. 2003-14, established that each Water and Light customer within the heavy industry class shall be charged, at maximum, the total actual fee revenue collected from that heavy industry customer plus three percent (3%), and each subsequent year increase could not exceed three percent (3%); and

**Whereas**, the City seeks to reinstate its in-lieu-of tax payment of six percent (6%) of annual gross operating revenue across all electric utility customer classes.

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

1. Beginning on July 1, 2022, the in-lieu-of tax payment by the Water and Light Commission to the City of McMinnville is six percent (6%) of annual gross operating revenue across all customer classes.

2. Resolution Nos. 1988-31, 1990-4, and 2003-14 are hereby repealed.
3. That this resolution shall take effect on July 1, 2022 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 26th day of April, 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 26th day of April 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

**RESOLUTION NO. 2022-19**

A Resolution Establishing an In-Lieu-Of Tax Payment of Ten Percent (10%) by the Water and Light Commission to the City of McMinnville from the Electric Utility and Repealing Resolution Nos. 1988-31, 1990-4, and 2003-14.

**RECITALS:**

**Whereas**, the Water and Light Commission is authorized and empowered by City Charter to act on behalf of the City in the management, operation, and acquisition of electricity; and

**Whereas**, ORS 225.270 provides that a municipal electric utility shall pay to the City not less than three percent (3%) of the annual gross operating revenue of such utility; and

**Whereas**, since 1961, the Water and Light Commission has paid to the City in-lieu-of tax payments; and

**Whereas**, in 1988, the City Council, via Resolution No. 1988-31, established an in-lieu-of tax payment by the Water and Light Commission of six percent (6%) of annual gross operating revenue except for heavy industrial users that had a rate of four and one-half percent (4.5%); and

**Whereas**, in 1990, the City Council, via Resolution No. 1990-4, again required an in-lieu-of tax payment by the Water and Light Commission of six percent (6%) of annual gross operating revenue, but it reduced the rate for heavy industrial users from four and one-half percent (4.5%) to three percent (3%); and

**Whereas**, the City Council, via Resolution No. 2003-14, established that each Water and Light customer within the heavy industry class shall be charged, at maximum, the total actual fee revenue collected from that heavy industry customer plus three percent (3%), and each subsequent year increase could not exceed three percent (3%); and

**Whereas**, the City seeks additional revenues to ensure that the City can continue to operate at current levels of service, and

**Whereas**, the City's property tax, the largest revenue source supporting general fund City services, cannot be increased due to State Measures 5 and 50 passed in the 1990s.



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

1. Beginning on July 1, 2022, the in-lieu-of tax payment by the Water and Light Commission to the City of McMinnville is ten percent (10%) of annual gross operating revenue across all customer classes.
2. Resolution Nos. 1988-31, 1990-4, and 2003-14 are hereby repealed.
3. That this resolution shall take effect on July 1, 2022 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 12th day of April, 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12th day of April 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

**RESOLUTION NO. 2022-20**

A Resolution Revising Paragraph F of Resolution No. 2019-35 Regarding the Franchise Fee for Wastewater Services.

**RECITALS:**

**Whereas**, in 2019, the City Council, via Resolution No. 2019-35, established a franchise fee for wastewater services; and

**Whereas**, the franchise fee is provided in paragraph F of Resolution No. 2019-35, and is in the amount of five percent (5%) of all wastewater revenues generated from the user fees set forth therein; and

**Whereas**, franchise fees collected by the City support general fund City services and the City seeks resources to maintain its current levels of service.

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

1. Beginning on July 1, 2022, paragraph F of Resolution No. 2019-35 is amended as follows: "five-percent (5%)" of paragraph F is hereby deleted and replaced with "six percent (6%)."
2. All other terms of Resolution No. 2019-35 continue to be in full force and effect.
3. That this resolution shall take effect on July 1, 2022 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 26<sup>th</sup> day of April, 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 26<sup>th</sup> day of April 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

**RESOLUTION NO. 2022-20**

A Resolution Revising Paragraph F of Resolution No. 2019-35 Regarding the Franchise Fee for Wastewater Services.

**RECITALS:**

**Whereas**, in 2019, the City Council, via Resolution No. 2019-35, established a franchise fee for wastewater services; and

**Whereas**, the franchise fee is provided in paragraph F of Resolution No. 2019-35, and is in the amount of five percent (5%) of all wastewater revenues generated from the user fees set forth therein; and

**Whereas**, franchise fees collected by the City support general fund City services and the City seeks resources to maintain its current levels of service.

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

1. Beginning on July 1, 2022, paragraph F of Resolution No. 2019-35 is amended as follows: "five-percent (5%)" of paragraph F is hereby deleted and replaced with "ten percent (10%)."
2. All other terms of Resolution No. 2019-35 continue to be in full force and effect.
3. That this resolution shall take effect on July 1, 2022 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 12th day of April, 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12th day of April 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

**RESOLUTION NO. 2022-21**

A Resolution Establishing a Franchise Fee for Water Services.

**RECITALS:**

**Whereas**, the City of McMinnville, by and through the Water and Light Commission, provides water services throughout the city and the region and utilizes publicly-owned space including, but not limited to, City right-of-way and easement areas, to provide such services; and

**Whereas**, the City seeks to establish a franchise fee for water services to compensate the City for the use of its right-of-way and easement areas.

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

1. Beginning on July 1, 2022, a franchise fee in the amount of six percent (6%) is assessed on all water revenues generated from the fees collected from users within the City limits for the provision of water services provided by the City through the Water and Light Commission.
2. The water franchise fee will be remitted by the Water and Light Commission to the City each month and will be transferred to the City General Fund for appropriation by the City Council.
3. This resolution shall take effect on July 1, 2022 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 26<sup>th</sup> day of April, 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 26<sup>th</sup> day of April 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

**RESOLUTION NO. 2022-21**

A Resolution Establishing a Franchise Fee for Water Services.

**RECITALS:**

**Whereas**, the City of McMinnville, by and through the Water and Light Commission, provides water services throughout the city and the region and utilizes publicly-owned space including, but not limited to, City right-of-way and easement areas, to provide such services; and

**Whereas**, the City seeks to establish a franchise fee for water services to compensate the City for the use of its right-of-way and easement areas.

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

1. Beginning on July 1, 2022, a franchise fee in the amount of ten percent (10%) is assessed on all water revenues generated from the user fees collected for the provision of water services provided by the City through the Water and Light Commission.
2. The water franchise fee will be remitted by the Water and Light Commission to the City each month and will be transferred to the City General Fund for appropriation by the City Council.
3. This resolution shall take effect on July 1, 2022 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 12th day of April, 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12th day of April 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

**RESOLUTION NO. 2022-22**

A Resolution Establishing a Franchise Fee for Electric Services.

**RECITALS:**

**Whereas**, the City of McMinnville, by and through the Water and Light Commission, provides electric services throughout the city and the region and utilizes publicly-owned space including, but not limited to, City right-of-way and easement areas, to provide such services; and

**Whereas**, the City seeks to establish a franchise fee for electric services to compensate the City for the use of its right-of-way and easement areas.

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

1. Beginning on July 1, 2022, a franchise fee in the amount of six percent (6%) is assessed on all electric revenues generated from the fees collected from users within the City limits for the provision of electric services provided by the City through the Water and Light Commission.
2. The electric franchise fee will be remitted by the Water and Light Commission to the City each month and will be transferred to the City General Fund for appropriation by the City Council.
3. This resolution shall take effect on July 1, 2022 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 26<sup>th</sup> day of April, 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 26<sup>th</sup> day of April 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
City Recorder

## STAFF REPORT

**DATE:** March 22, 2022  
**TO:** Jeff Towery, City Manager  
**FROM:** Jennifer Cuellar, Finance Director  
**SUBJECT:** Work Session: City Services Charge and Sustainable Resources

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### Strategic Priority and Goal:



#### CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

### Report in Brief:

At the Council's 6/22/2021 meeting, the governing body adopted its 2021 Annual Goals; included among them is the following goal under City Government Capacity:

*Right-Size Services: Address insufficient resources by finding new sustainable funding sources: Looking for ways to bring additional revenue into the City's general fund*

This work session is a continuation of the discussion of the City Services Charge options presented to Council, the Budget Committee and McMinnville Water and Light's Commission in joint session on 2/16/2022. It also incorporates information regarding other funding sources which can complement this new funding source to achieve a sustainable package of resources that balances impact on the residents and commercial enterprises of McMinnville.

These new sustainable resources are being brought online so the City of McMinnville continues to provide vital services and community leadership. The general fund provides McMinnville residents and businesses:

1. dependable first responder coverage from police, fire and emergency medical teams along with investments in emergency preparedness
2. engaging programming at the library and from parks and recreation that nurture the health and spirit of the community
3. thoughtful short- and long-range planning to support the growth of McMinnville and create conditions that serve residents and local businesses now and into the future
4. access to justice in municipal court and equitable treatment with code enforcement
5. responsiveness to larger challenges such as addressing historic inequities faced by many members of our community, affordable housing and climate change

## Work Session Objectives:

The work session include a presentation from Deborah Galardi, our rate study consultant, and staff, regarding:

1. Answers to questions from the 2/16/2022 meeting regarding the City Services Charge and impact on commercial organizations in the community
2. Other related funding sources

Staff is seeking policy guidance on the following questions:

1. Total revenue target for new funding source(s) starting in FY 2022-23
  - o City Services Charge component
  - o Adjustments to current payment in lieu of tax level
  - o Adjustments to current wastewater franchise fee percentage
  - o Implement a new water utility franchise fee percentage
2. City Services Charge elements
  - o Preferred charge structure
  - o Billing policies such as exemptions, discount program

This guidance will allow staff to finish the FY2022-23 budget proposal that will be brought to the budget committee later this spring and work with McMinnville Water and Light and our consulting team to carry out implementation work on this sustainable resources project.

Council will see formal ordinances and resolutions on any resource addition or update chosen over the course of the next several months.

## Background:

At the 2/16/2022 work session, a preference for options 3 and 4 of the rate structures presented emerged from the discussion.

This work session will focus on these two options and provides information on what they look like if designed to raise \$2 million or \$3.5 million. Implementing a City Services Charge that raises less than \$2 million wouldn't be recommended given the level of effort required to build and maintain the program. The upper end of \$3.5 million was chosen because it can be combined with other revenue options to achieve the highest resource total of \$6 million contemplated in this staff report.



# Comparison of Options

Criteria	Option 3 \$2 M	Option 4 \$2 M	Option 3 \$3.5 M	Option 4 \$3.5 M
Single Family Bill	\$11.25	\$9.41	\$19.69	\$16.46
Small Commercial Bill	\$11.25	\$19.89	\$19.69	\$34.80
Large Commercial Bill	\$375.00	\$662.90	\$656.25	\$1,160.08
Preliminary Revenue Allocation (%)				
Residential	67%	56%	67%	56%
Multifamily	15%	13%	15%	13%
Commercial/Ind.	18%	31%	18%	31%

Descriptions of other resource options available that could be implemented in tandem with the City Service Charge to raise resources to support existing or expanded services follows.

## Payment in Lieu of Tax (PILOT)

This is a charge based on electric sales that municipal electric utilities pay municipal organizations in lieu of property taxes. State law (ORS 225.270) establishes a 3% minimum PILOT payment for municipal electric utilities. The City of McMinnville currently receives a 6% PILOT distribution from residential and commercial customers; industrial customers contribute at a 3% level. From 1961 until 1989, all customers paid the same PILOT percentage. After a two-year transition, industrial customers began to receive this discount relative other electric users/payers.

According to the Oregon Department of Energy, there are 12 municipal electric utilities in the state. Staff was able to find the PILOT rates for 11 of these public utility companies and in every case, there was not a differential of PILOT rates by customer class reported.

Four of the 11 cities charged 5% payment in lieu of property tax, three charged 6% and three charged from 6.9% to 25%.

## Wastewater and water franchise fees

According to the latest report from the League of Oregon Cities on franchise fees from 2019, cities report having franchise fees in the following areas:

- Cable and telecom
- Electric
- Natural gas

- Solid waste
- Water
- Wastewater
- Other (universities, oil and gas pipelines, cement production, sustainable energy)

As part of Resolution 2021-55, the City included reviewing and updating franchise agreements as a sustainable funding source. The City of McMinnville’s wastewater franchise fee of 5% was initiated in 2019.

The City does not currently have a water franchise fee nor does the City pay water bills for its use of water in city parks, offices and other facilities. Establishing a water franchise fee and moving to full cost recovery for McMinnville Water and Light’s water services delivery to the City is an option available for consideration as well.

### **Policy Decision 1: Revenue Target**

What amount of new resources does the city want to bring online to support its services?

#### \$2 million

This amount of funding represents the approximate persistent budget funding gap for current services. Making progress on building up the reserve and addressing deferred maintenance for existing assets would not be achievable at this level of additional funding. Addressing deficits in core services and investing in the MacTown 2032 initiatives would also be limited and/or would require reductions in services in some other area.

Raising \$2 million can be done in a number of ways:

- instituting the CSC at the \$2 million level
- increasing the PILOT rate collected on all accounts to 10%
- increasing the PILOT rate to 7% or 8% and doing a combination of increasing the wastewater franchise fee and instituting a water franchise fee

#### \$3 million

This amount of funding would address the persistent budget gap, build back the reserve and either make some inroads in addressing deferred maintenance or modestly addressing core services. It would not stretch to fully addressing deferred maintenance (\$32 million of repairs needed over 10 years according to the 2019 Facility Condition Assessment). Spending on existing capital assets would require trading off investing in core services or programming the community aspires to from MacTown 2032.

Raising \$3 million can be done in a number of ways:

- instituting the CSC at the \$3 million level
- instituting the CSC at a \$2.1 million level and increasing the PILOT rate collected on all accounts to 7%

- some mix of the CSC, increasing the PILOT rate and increasing the wastewater franchise fee
- some mix of the CSC, increasing the PILOT rate and instituting a water franchise fee

Note: given the level of effort required to implement the CSC, a \$2 million minimum revenue level for that instrument is recommended.

#### \$4 million

This amount of funding would address the persistent budget gap, build back the reserve, make inroads in addressing deferred maintenance and invest in targeted core services and/or MacTown 2032 programming. It would not stretch to fully addressing deferred maintenance (which requires an average annual investment of over \$3 million) Again, spending on existing capital assets would still require trading off investing in raising the level core services and programming the community aspires to as described in MacTown 2032.

Raising \$4 million can be done in a number of ways:

- instituting the CSC at a \$2.25 million level and increasing the PILOT rate collected on all accounts to 9%
- some mix of the CSC, increasing the PILOT rate and increasing the wastewater franchise fee
- some mix of the CSC, increasing the PILOT rate and instituting a water franchise fee

#### \$5 million

This amount of funding would address the persistent budget gap and build back the reserve as well as provide some ability to invest in a number of base or below base core services and MacTown 2032 programming while addressing some deferred maintenance. Trade-offs across these competing priorities and worthy core services enhancements and special projects would still be required.

Raising \$5 million can be done in a number of ways:

- instituting the CSC at a \$2.8 million level and increasing the PILOT rate collected on all accounts to 10%
- instituting the CSC at a \$3.25 million level and increasing the PILOT rate collected on all accounts to 9%
- some mix of the CSC, increasing the PILOT rate and increasing the wastewater franchise fee or instituting a water franchise fee

#### \$6 million

This amount of funding would address the persistent budget gap and build back the reserve as well as provide resources to invest more broadly in base or below base core

services and MacTown 2032 programming while addressing some deferred maintenance. Trade-offs across these competing priorities and worthy core services enhancements and special projects would still be required (as noted in the 1/11/22 Core Services overview presentation to Council, moving the top 25 base and below base core services up one service level would cost an estimated \$3.18 million).

Raising \$6 million can be done in the following ways:

- instituting the CSC at a \$3.5 million level, increasing the PILOT rate collected on all accounts to 10% and increasing the wastewater franchise fee and/or instituting a water franchise fee
- instituting the CSC at a \$3.5 million level, increasing the PILOT rate collected on all accounts to 9.5%, increasing the wastewater franchise fee to 7% and instituting a 6% water franchise fee

## Policy Decision 2: City Services Charge elements

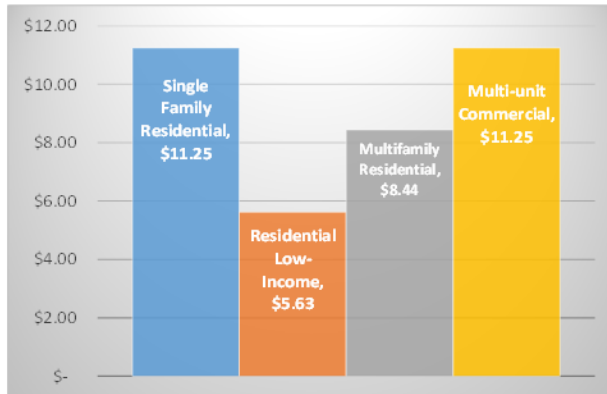
### Preferred charge structure

The four structures presented at the 2/16/2022 work session are summarized below. Is structure option 3 or 4 the better way to go?

Preliminary City Services Charge Structure Options			
Option	Charge Basis by Class		Pricing by Class
	(Residential & Multi-unit Commercial)	Nonresidential (Single Unit)	
1	Number of Units	Per Account	Varies
2	Meter size**	Meter Size	Uniform
3	Number of Units	Meter Size	Varies by type of unit for single family & multifamily
4	Number of Units	Meter Size	Varies by type of unit for all classes

*Options for further consideration*

## REVISED\* Option 3 (\$2 M): Residential & Multi-Unit \$/Unit; Commercial by Meter Size



Commercial/Industrial	\$/Meter
5/8" - 3/4" Meter	\$ 11.25
1" Meter	18.75
1.5" Meter	37.50
2" Meter	60.00
3" Meter	120.00
4" Meter	187.50
6" Meter	375.00

*\*Rates have been updated to reflect 3/4" meter equivalency factors and continued billing data analysis*

## REVISED\* Option 4 (\$2 M): Residential & Multi-Unit \$/Unit; Commercial by Meter Size



Commercial/Industrial	\$/Meter
5/8" - 3/4" Meter	\$ 19.89
1" Meter	33.15
1.5" Meter	66.29
2" Meter	106.06
3" Meter	212.13
4" Meter	331.45
6" Meter	662.90

Nonresidential revenue = 31% (based on employees as a percent of population + employees)

*\*Rates have been updated to reflect 3/4" meter equivalency factors and continued billing data analysis*

# Sample Bill Comparison

Customer Class	Units	Meter Size (")	Option 3 (\$2M)	Option 4 (\$2M)	Option 3 (\$3.5 M)	Option 4 (\$3.5 M)
Residential (All Customers)	1	3/4	\$ 11.25	\$ 9.41	\$ 19.69	\$ 16.46
Residential Low Income	1	3/4	5.63	4.70	9.84	8.23
Multi Family						
Small complex	4	1	33.75	28.22	59.06	49.39
Large complex	88	4	742.50	620.90	1,299.38	1,086.57
Commercial/Industrial						
Small	1	3/4	11.25	19.89	19.69	34.80
Medium	1	2	60.00	106.06	105.00	185.61
Large	1	6	375.00	662.90	656.25	1,160.08
Commercial - Multi-Unit						
Small	2	3/4	22.50	39.77	39.38	69.60
Medium	9	2	101.25	178.98	177.19	313.22
<b>Estimated Total Revenue (\$M)</b>			<b>\$2.0</b>	<b>\$2.0</b>	<b>\$3.5</b>	<b>\$3.5</b>

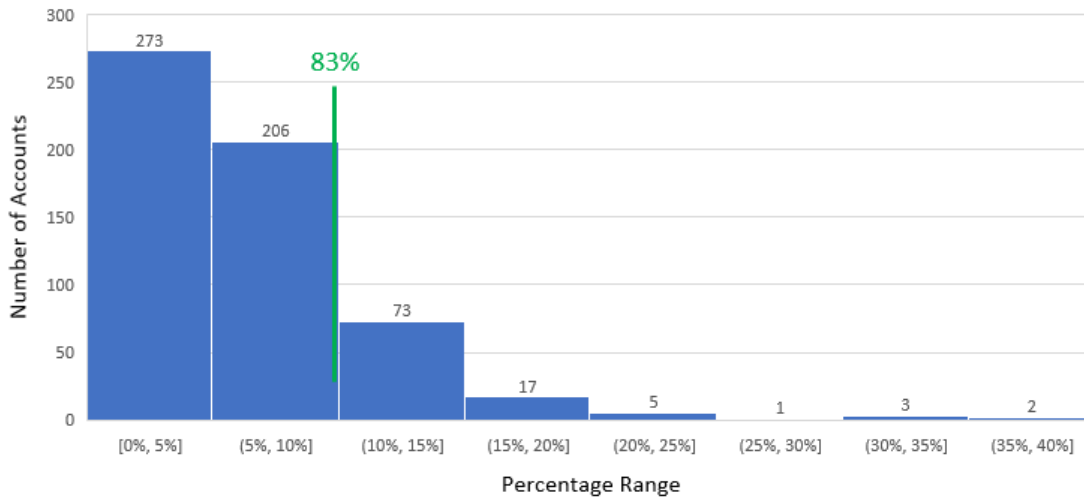
# Sample Bill Increases – Average Bills\* (Electric/Water/Sewer Combined)

	Average Bill (E/W/S)	\$2.0 Million		\$3.5 Million	
		Option 3	Option 4	Option 3	Option 4
<b>Single Family Average</b>	\$183.43	6.1%	5.1%	10.7%	9.0%
<b>General Service</b>					
5/8" - 3/4"	\$192.95	5.8%	10.3%	10.2%	18.0%
1"	\$746.74	2.5%	4.4%	4.4%	7.8%
1 1/2"	\$863.00	4.3%	7.7%	7.6%	13.4%
2"	\$2,005.97	3.0%	5.3%	5.2%	9.3%
3"	\$4,844.35	2.5%	4.4%	4.3%	7.7%
4"	\$12,414.50	1.5%	2.7%	2.6%	4.7%
6"	\$4,837.13	7.8%	13.7%	13.6%	24.0%

\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available. 6" meter based on only 1 customer and may not reflect total bill.

# Sample Range of Bill Increases (General Service Customers)

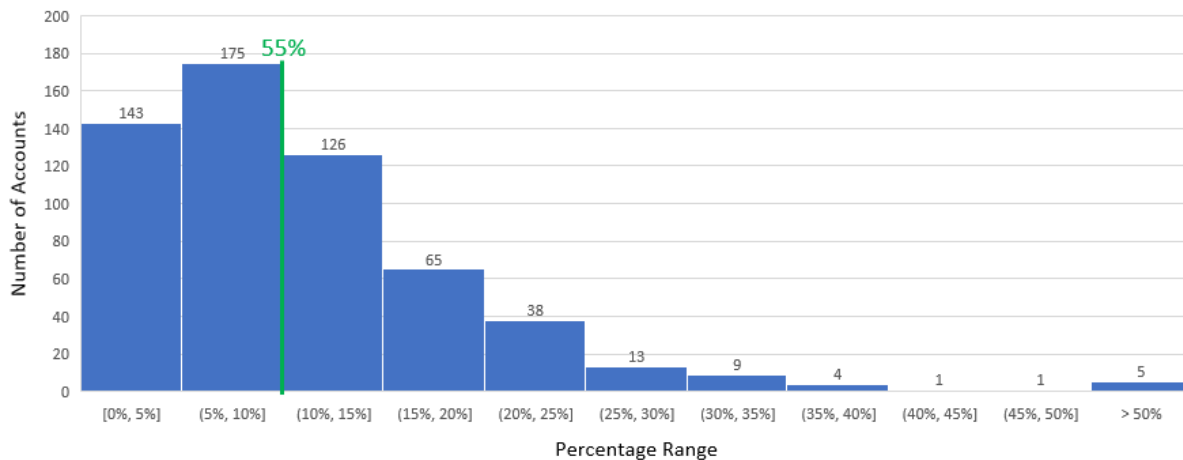
Option 3 - \$2.0 Million % Bill Increase Distribution



*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available.*

# Sample Range of Bill Increases (General Service Customers)

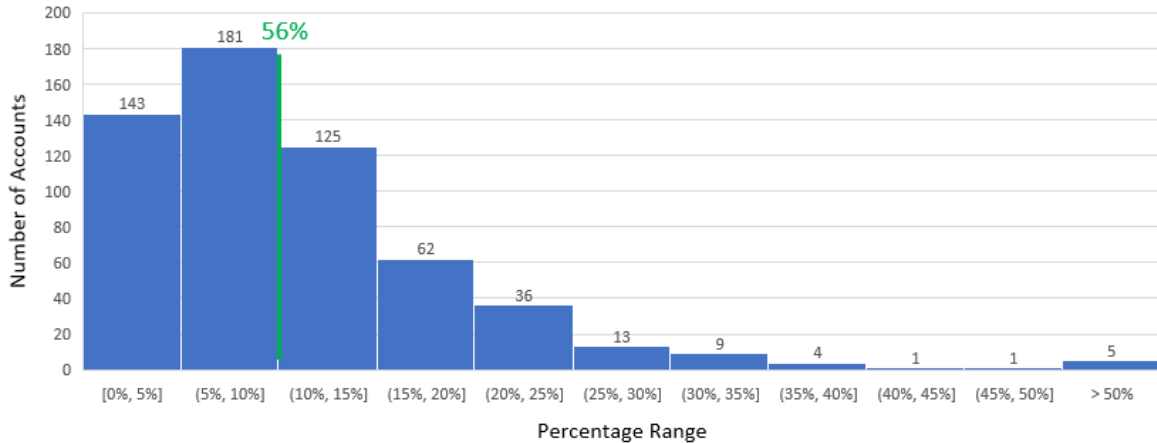
Option 4 - \$2.0 Million % Bill Increase Distribution



*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available.*

# Sample Range of Bill Increases (General Service Customers)

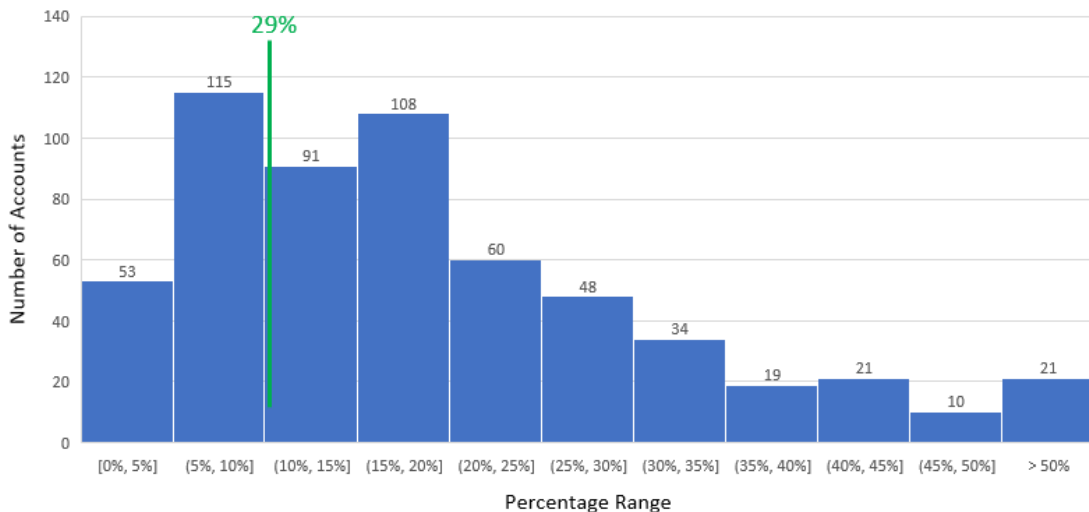
Option 3 - \$3.5 Million % Bill Increase Distribution



*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available.*

# Sample Range of Bill Increases (General Service Customers)

Option 4 - \$3.5 Million % Bill Increase Distribution



*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available.*



### Billing policies such as exemptions, discount program

Are there any exemptions that would be of particular interest? Note that exemptions reduce the amount of revenue raised and can increase complexity of implementation and ongoing administration of the program, particularly if a variety of exemptions are desired.

Staff is continuing to work with McMinnville Water and Light to assess the best way to identify low-income residents and include them in a discount or waiver program. What is council's preference? A small flat amount \$2, \$5? Or a CSC waiver? We anticipate establishing a validation cycle for qualified residents, likely on an annual basis.

## City Council Next Steps

**Ordinance** will be crafted to reflect the rate structure and other pertinent details for the service charge

**Resolution(s)** to address updates in the City's payment in lieu of tax (PILOT) for electric utility customers, wastewater franchise fee adjustment or establishment of a water franchise fee

**FY2022-23 Proposed Budget** will include the anticipated revenue and direct costs associated with the City Service Charge

### Fiscal Impact:

These discussions will have an impact on the City's financial sustainability and ability to maintain services in the FY23 budget cycle and beyond.

### Attachments:

1. Staff report from 2/16/2022 work session



## STAFF REPORT

**DATE:** February 16, 2022  
**TO:** Jeff Towery, City Manager  
**FROM:** Jennifer Cuellar, Finance Director  
**SUBJECT:** Work Session: City Services Charge

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### Strategic Priority and Goal:



#### CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

### Report in Brief:

At the Council's 6/22/2021 meeting, the governing body adopted its 2021 Annual Goals; included among them is the following goal under City Government Capacity:

*Right-Size Services: Address insufficient resources by finding new sustainable funding sources: Looking for ways to bring additional revenue into the City's general fund*

- *Create strategic plan for \$2-3 million of new revenue streams*

This work session focuses on the City Services Charge, the latest in a series of discussions by the Council and Budget Committee to evaluate and make choices on sustainable resource options for McMinnville. This work session also includes McMinnville Water and Light's Commission in joint session.

These new sustainable resources are being brought online so the City of McMinnville continues to provide vital services and community leadership. The general fund provides McMinnville residents and businesses:

- dependable first responder coverage from police, fire and emergency medical teams along with investments in emergency preparedness
- engaging programming at the library and from parks and recreation that nurture the health and spirit of the community
- thoughtful short- and long-range planning to support the growth of McMinnville and create conditions that serve residents and local businesses now and into the future
- access to justice in municipal court and equitable treatment with code enforcement
- responsiveness to larger challenges such as addressing historic inequities faced by many members of our community, affordable housing and climate change

## **Work Session Objectives:**

The work session will include a presentation from Deborah Galardi, our rate study consultant, and staff, an opportunity for questions and answers and discussion by the elected and appointed officials present.

Staff is seeking policy guidance on the following questions:

- Preferred charge structure
- Pricing and revenue targets
- Other related funding sources
- Billing policies such as exemptions, discount program

We will also be collecting a list of any additional data or information needed to make choices on the above policy questions.

## **Discussion:**

The city is required by law to adopt and operate within a balanced budget. The new sustainable resources will be used to maintain existing staffing, programs, and services in our fire, library, parks and recreation, police, and administration – which are all funded by our General Fund. The City Services Charge will fund these “core services” – what we do and how we do it.

MacTown 2032 includes new work that the community aspires to. New resources are also needed to allow the city to make meaningfully advance those goals as well.

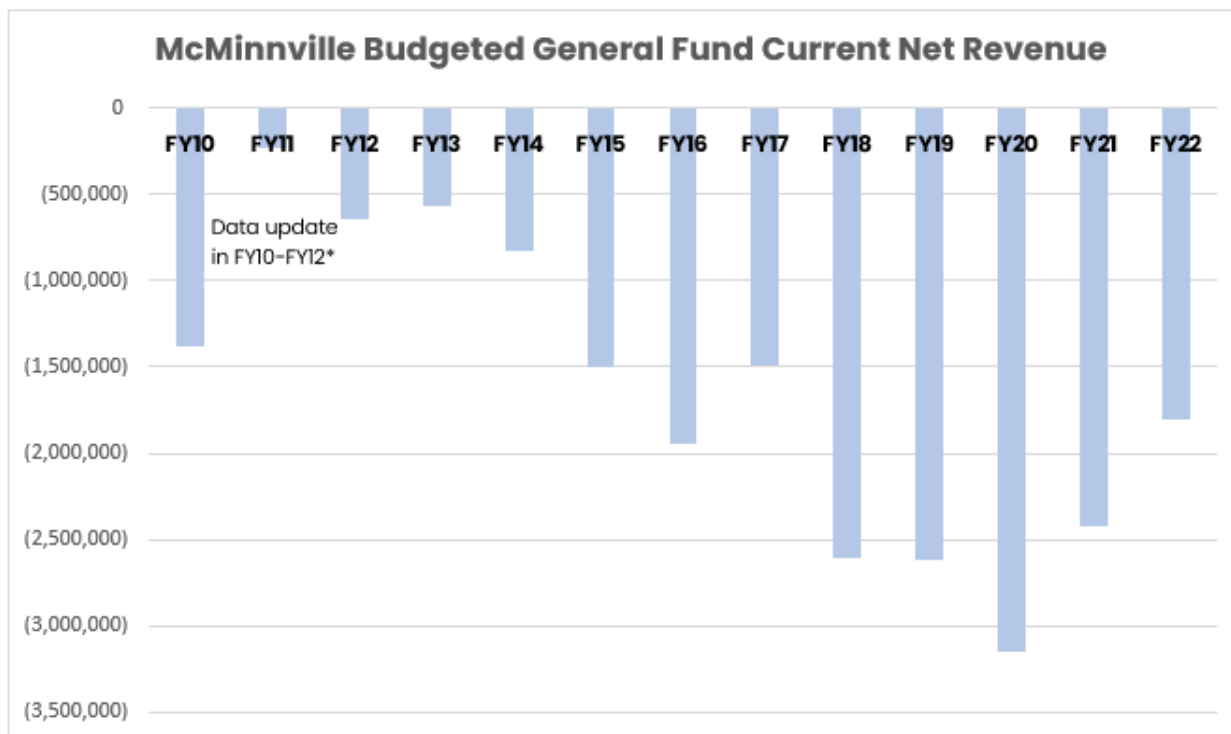
## **Background**

The cost of current City of McMinnville services provided in the general fund exceeds the amount of annual revenues it collects. This gap is addressed each year in the budget process by a combination of utilizing reserves, reductions in service levels, postponing capital investments and deferring maintenance on city assets.

McMinnville Council and staff have been working together for a number of years to address this sustainability imbalance with the implementation of a wastewater franchise fee starting in FY19-20 and the work devoted to exploring the feasibility of creating a fire district with the potential of improving fire and ambulance service delivery across the community while also freeing up property tax revenue for other vital uses within the city. Attention has been given to establishing cost recovery programs for services provided that accrue a specific benefit to a user.

Despite these efforts, McMinnville faces a persistent general fund budget gap of approximately \$2 million between revenues received each year and the cost of city services.

This situation is rooted in property tax ballot measures from the early 1990s when voters chose to cap property tax rate increases. Without other revenue sources (like a sales tax), jurisdictions in all 36 Oregon counties have been faced with the challenge of addressing budget shortfalls. The budget problem is a result of funding City services with property taxes that increase a little while living in a world where expenses increase by a lot.



\* This chart was first shown at the 7/13/2021 sustainable resources work session. Upon review, an error was found in data presented for FY2009-10, FY2010-11 and FY2011-12 that is corrected in this version

McMinnville’s services rely on people, and we often face the budget reality of health insurance and pension costs that increase faster than inflation. Cost of living adjustments also affect labor costs and general costs of doing business with the purchase of materials, supplies, contracted services, etc.

Many Cities have addressed this funding gap through a combination of levies (charged based on assessed value and paid with property tax bills) or operating fees (charges based on a set methodology and paid with utility bills).

**Process to date regarding sustainable resource options**

After the Council adopted the 2021 annual goal on sustainable resources, staff began pulling together information on lawful options available to cities for generating and sharing reports from other cities that have grappled with this question before us.

To strengthen the community engagement component of looking at this key question, the Council chose to bring the full Budget Committee into the conversation.

From the original list of three dozen possibilities, the Budget Committee asked staff to look more in depth at 17 resource options. Each option was evaluated by the following criteria:

1. **Council policy goals.** Supports or is an obstacle to other policy goals.
2. **Revenue raising capability.** Amount of funds likely to be generated, including assessment of service demand impacts associated with revenue

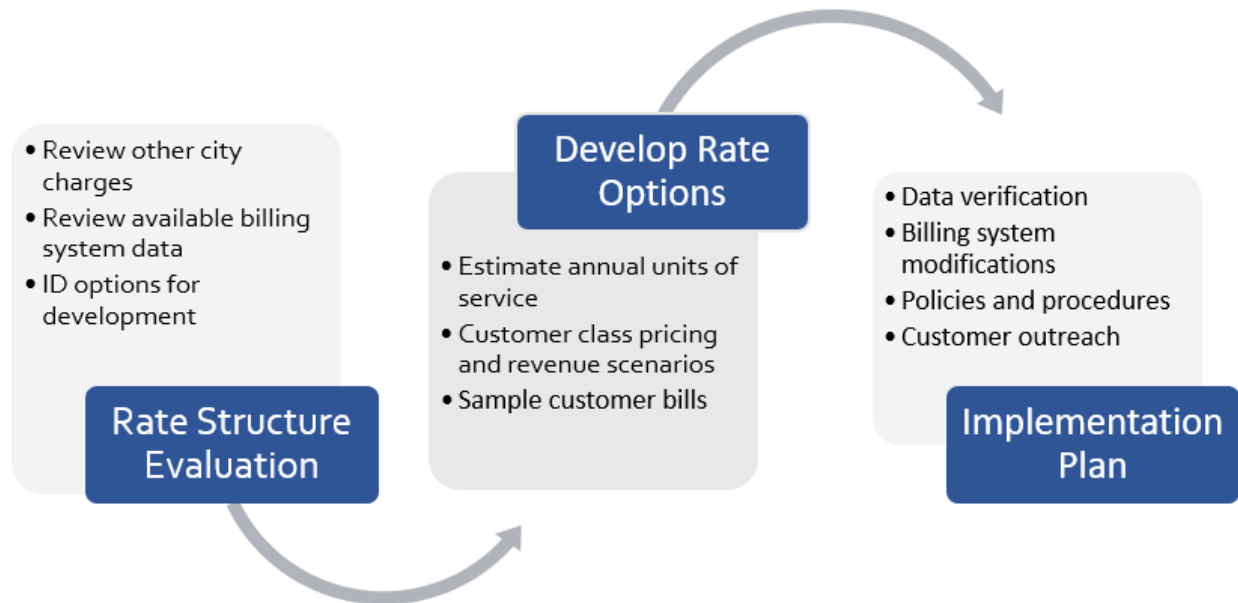
stream.

3. **Revenue stability.** The reliability of resource levels under different conditions.
4. **Household equity.** Directly or indirectly serves to reduce or exacerbate structural, historic inequities in how the city funds its services.
5. **Healthy Business Climate.** Impact on local businesses.
6. **Environmental impact.** Are sustainable practices incentivized.
7. **Administrative effort.** How expensive to implement and manage.

The Budget Committee recommended the city follow up on initiating a service fee, among other actions, to support general city services at its October 20, 2021, meeting.

Resolution 2021-55 regarding sustainable funding sources was adopted by the City Council on November 9, 2021. The City Services Charge paid via utility billing is included in resolution. Other strategies are also noted including review of franchise agreements.

The work plan for developing the City Services Charge is described in the following graphic:

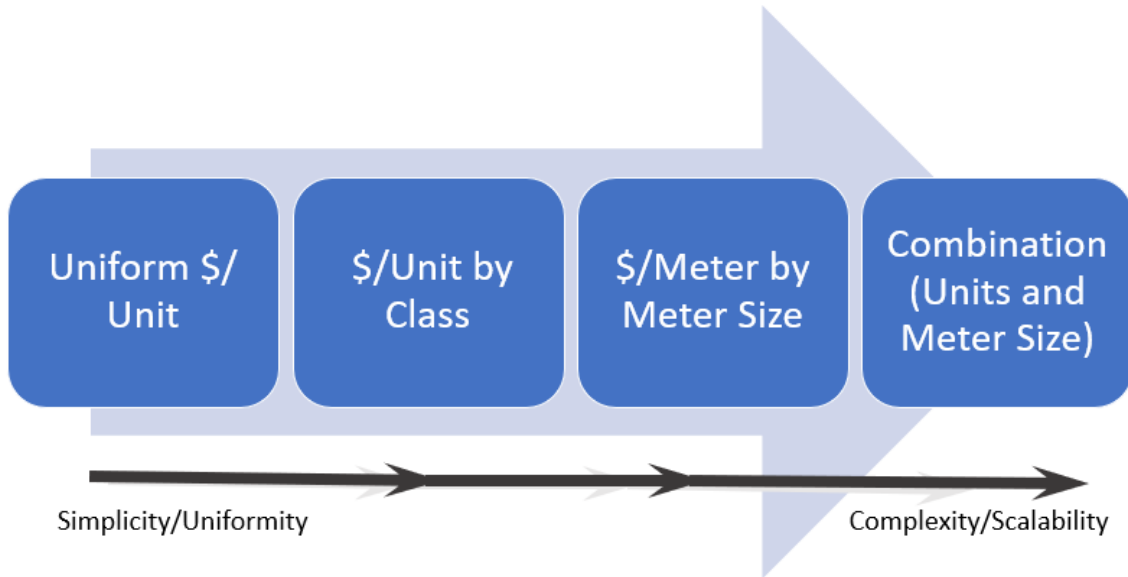


These encapsulate three of the four policy areas staff are seeking guidance on. The fourth is regarding related funding options that have come up in the sustainable resource discussions over the summer and fall of 2021: franchises and McMinnville's current payment in lieu of tax (PILOT) structure.

## Policy Decision 1: Charge Structure

Guidance sought by staff on the charge structure includes the basis for the charge (accounts, units, meters, etc.) and establishing a uniform rate versus class-specific pricing. Choices on rate structures will have a significant impact on the balance of community participation – residential and commercial organizations – in supporting city services.

Rate structure types under consideration:



Rate structure types in practice:

Structure Type	Example City(ies)
Uniform \$/Unit	Gresham, Medford
\$/Unit by Class	Keizer, Salem, Sandy
\$/Meter by Size	Corvallis, Newberg
Combination (\$/Unit and Meter Size)	Albany

Preliminary City Services Charge Structure Options:

Option	Charge Basis by Class		Pricing by Class
	(Residential & Multi-unit Commercial)	Nonresidential (Single Unit)	
1	Number of Units	Per Account	Varies
2	Meter size	Meter Size	Uniform
3	Number of Units	Meter Size	Varies by type of unit for single family & multifamily
4	Number of Units	Meter Size	Varies by type of unit for all classes

All four options that follow:

- include low-income residential discount
- are based on \$2 million projected revenue for illustration
- project revenue estimates based on preliminary data available

**Option 1: Charges per Unit or Account (\$/unit varies by class)**



Multifamily \$/unit = 75% single family reflecting lower average dwelling unit occupancy.  
 Nonresidential pricing a policy decision (2 X single family for illustration).

**Option 2: Charges by Meter Size (Uniform charges by class)**

Meter Size	Meters	Meter Factor	Option 2 \$/Month
Residential & Gen Svc 3/4"	10,651	1.0	\$11.40
1"	237	2.5	\$28.50
1 1/2"	158	5	\$57.00
2"	182	8	\$91.20
3"	30	16	\$182.40
4"	23	25	\$285.00
6"	7	50	\$570.00

All single-family residential charged based on 3/4" meter.

Meter factors reflect hydraulic capacity factors.

**Option 3: Residential & Multi-Unit Commercial \$/Unit; Nonresidential by Meter Size (Different \$/unit by dwelling type)**



Commercial/Industrial	\$/Meter
3/4" Meter	\$ 10.60
1" Meter	\$ 26.50
1.5" Meter	\$ 37.10
2" Meter	\$ 53.00
3" Meter	\$ 84.80
4" Meter	\$ 169.60
6" Meter	\$ 265.00
8" Meter	\$ 912.00
10" Meter	\$ 2,394.00



**Option 4: Residential & Multi-Unit Commercial \$/Unit; Nonresidential by Meter Size**  
**(Different \$/unit for all classes)**



Commercial/Industrial	\$/Meter
3/4" Meter	\$ 14.27
1" Meter	\$ 35.68
1.5" Meter	\$ 71.36
2" Meter	\$ 114.18
3" Meter	\$ 228.36
4" Meter	\$ 356.81
6" Meter	\$ 713.63

Nonresidential revenue = 31% (based on employees as a percent of population + employees)

## Policy Decision 2: Pricing and Revenue Targets

Guidance is sought on the level of annual revenue to be raised through the City Service Charge, any pricing by class details and overall proportions of funds raised by class.

The first two graphics show data based on the above four options that will raise \$2 million in gross revenue. The third shows a summary that extrapolates the \$2 million base case to \$4 million and \$6 million. The final table shows examples of similar charges that are already in place in other cities.

Sample Bill Comparison:

Customer Class	Units	Meter Size (")	Option 1: Rate per Unit & Class	Option 2: Meter Size	Option 3: Units/Meter Size	Option 4: Units/Meter Size
Residential (All Customers)	1	3/4	\$ 11.30	\$ 11.40	\$ 10.60	\$ 9.45
Residential Low Income	1	3/4	\$ 5.65	\$ 5.70	\$ 5.30	\$ 4.73
Multi Family						
Small complex	4	1	\$ 33.90	\$ 28.50	\$ 31.80	\$ 28.36
Large complex	88	4	\$ 745.80	\$ 285.00	\$ 699.60	\$ 623.88
Commercial/Industrial						
Small	1	3/4	\$ 22.60	\$ 11.40	\$ 10.60	\$ 14.27
Medium	1	2	\$ 22.60	\$ 91.20	\$ 84.80	\$ 114.18
Large	1	6	\$ 22.60	\$ 570.00	\$ 530.00	\$ 713.63
Commercial - Multi-Unit						
Small	2	3/4	\$ 45.20	\$ 11.40	\$ 21.20	\$ 28.55
Medium	9	2	\$ 203.40	\$ 91.20	\$ 95.40	\$ 128.45
Large	20	2	\$ 452.00	\$ 91.20	\$ 212.00	\$ 285.45
<b>Estimated Total Revenue (\$M)</b>			<b>\$2.0</b>	<b>\$2.0</b>	<b>\$2.0</b>	<b>\$2.0</b>

Comparison of Options:

Criteria	Option 1 \$/Unit (Class)	Option 2 \$/Meter (Size)	Option 3 \$/Unit and Meter Size	Option 4 \$/Unit & Meter Size
Single Family Bill	\$11.30	\$11.40	\$10.60	\$9.45
Large Nonresidential Bill	\$22.60	\$570.00	\$530.00	\$713.63
Preliminary Revenue Allocation (%)				
Residential	67%	68%	63%	57%
Multifamily	15%	7%	14%	12%
Commercial/Ind.	18%	25%	23%	31%
Scalability	Low	Med	High	High
Administrative Complexity	Med	Low	Med	Med

The Comparison of Options graphic gives an indication of the balance of funding generated from residential and commercial payers of the City Services Charge in the rate structures presented based on the data available at this time.

Guidance from the Budget Committee on the balance between residential and other recipients of city services (businesses, non-profits, public entities that operate within the city) will help in creating a charge structure that is equitable on this metric.

Comparison of Charges and Revenues beyond \$2 million base case:

Option	Class	\$2 M	\$4 M	\$6 M
Option 1	Single Family Residential	\$11.30	\$22.60	\$33.90
	Large Nonresidential	\$22.60	\$45.20	\$67.80
Option 2	Single Family Residential	\$11.40	\$22.80	\$34.20
	Large Nonresidential	\$570.00	\$1,140.00	\$1,710.00
Option 3	Single Family Residential	\$10.60	\$21.12	\$31.68
	Large Nonresidential	\$530.00	\$1,056.00	\$1,584.00
Option 4	Single Family Residential	\$9.45	\$18.91	\$28.36
	Large Nonresidential	\$713.63	\$1,427.26	\$2,140.88

Example Other City Charges:

City	Parks	Public Safety Fees	General Operations Fee	Residential Total <sup>1</sup>
West Linn	\$19.26			\$19.26
Gresham <sup>2</sup>			\$15.00	\$15.00
Medford	\$5.35	\$9.42		\$14.77
Corvallis <sup>3</sup>	\$0.50	\$13.04		\$13.54
Cornelius			\$9.75	\$9.75
Albany			\$9.00	\$9.00
Salem <sup>4</sup>			\$8.34	\$8.34
Keizer <sup>5</sup>	\$4.00	\$4.00		\$8.00
Oregon City		\$6.50		\$6.50
Tigard	\$6.16			\$6.16
Newberg <sup>6</sup>		\$5.26		\$5.26
Sandy		\$4.50		\$4.50
<b>Average</b>				<b>\$10.01</b>
<b>Median</b>				<b>\$8.67</b>
<sup>1</sup> Excludes utility fees for water, wastewater, and stormwater and streets				
<sup>2</sup> Single multi-services fee for police, fire, parks				
<sup>3</sup> Public Safety fee includes two separate fees for police and fire				
<sup>4</sup> Single multi-services fee for public safety, parks and libraries.				
<sup>5</sup> Sr. And Low Income = \$2.24				
<sup>6</sup> Public safety fees include two different public safety fees for staff positions				

### **Data Verification Steps**

Further work with the data is required to refine the financial projections associated with the charge structure and the impacts of pricing by class to achieve the desired revenue target.

- Confirm billing data includes all accounts that should be billed and excludes other accounts:
  - Include water only accounts (primary service)
  - Exclude secondary meters (irrigation, fire, etc)
  - Exclude? city currently pays electric but not water or sewer
  - Validate against property tax data or other sources to identify accounts to be added
- Verify customer class assumptions if selected structure includes variable charges by class
  - Residential vs. nonresidential
  - Multi-unit residential vs. nonresidential (dwelling units vs. multi-tenant commercial)

### **Costs of City Services Charge**

Revenue projections discussed above are estimates for gross revenue and are not reduced by the carrying cost of managing the new program. Further study of these costs is needed and will depend on implementation planning still underway.

- Identify one-time costs to establish program
  - Invoice redesign and programming (\$10,000 to \$15,000 estimate)
  - Education campaign (\$8,000 initial estimate)
  - Cost of McMinnville Water and Light staff (have requested initial invoice for time spent to date)
  - Consultant support (\$30,000 estimate)
- Identify carrying costs of program
  - Customer service support
  - Accounting, reporting and compliance

### Policy Decision 3: Other Funding Sources

During discussions on sustainable resources, the suggestion to review the payment in lieu of tax (PILOT) on electric services was made. In addition, review of franchise agreements was called out in Resolution 2021-55 regarding sustainable actions to take. Staff felt it made sense to include information and initial thinking on these two related revenue funding sources as a part of the discussion on the City Services Charge.

#### PILOT – Payment in Lieu of Tax

Electric services are categorized in a way that allows city staff to analyze the current PILOT percentage applied for each.

	Total FY21	PILOT %	PILOT Rev	
cat 1 - Gen Srv Ph3	9,702,753	6%	582,165	27.43%
cat 2 - Gen Service	2,430,190	6%	145,811	6.87%
cat 3 - Lrg Industrial	16,555,945	3%	496,678	23.40%
cat 4 -Residential	<u>14,958,586</u>	6%	<u>897,515</u>	42.29%
	<b>43,647,475</b>		<b>2,122,170</b>	

While the City’s revenue received during FY2020-21 was slightly under \$2 million (further research into timing and base charges subject to PILOT will be conducted), the amount of PILOT generated by customer class are reasonable figures.

If City adjusts rate structure so that all payers contribute a **uniform 6%** level, revenues will increase approximately **\$500,000** per year. The balance of residential electrical users to commercial, industrial and institutional users will shift from 42%/58% to 34%/66%.

If City adjusts rate structure so that all payers contribute at a **new 7%** level, revenues will increase approximately **\$930,000** per year. The balance of residential electrical users to commercial, industrial and institutional users would remain 34%/66% in this scenario.

Guidance is sought as to whether staff should include a change in the current rate structure that gives a 100% discount to one rate class and bring forward options for such a change to be implemented as part of the FY2022-23 budget development process that is just getting underway.

#### Franchise fees

Currently, the City of McMinnville does not pay water utility bills. To offset that revenue impact on McMinnville Water and Light, the City does not currently require a franchise and associated franchise fee from McMinnville Water and Light.

A component of the implementation work that staff is undertaking includes assuring that

the City is paying full freight on the cost of implementing the City Services Charge and updating a variety of billing procedures.

Discussion of making a move towards full cost recovery for McMinnville Water and Light on water and related franchise work has also been flagged as an important topic to address for the future.

## **Policy Decision 4: Policies related to Implementation**

A number of policies and procedures will need to be established that will impact the City of McMinnville and its component unit operation at McMinnville Water and Light.

Guidance on City Service Charge exemptions and our approach to low-income discounts are of special interest of staff to receive from the Council and Budget Committee. Staff proposes that the detailed business practices and the resulting policies and procedures in that area be developed based on best practices and in collaboration with McMinnville Water and Light staff.

### **High level policy questions**

Exemptions:

- Outside city
- Secondary service (fire or irrigation)
- Undeveloped or unoccupied properties (with conditions)

Low Income Discount:

- Applies to total utility service bill
- Specific to City Services Charge

City Services Charge Updating:

- Update interval
- Annual Inflation adjustment
- Sunset clause

### **Other policy questions**

Delinquencies:

- Public safety may be given preference over other services in cases of partial payment
- Generally, no lien on property or water disconnect for nonpayment of public safety or parks fees

Appeals Process

### **Implementation Plan**

Work with McMinnville Water and Light staff

- Have charge in place for the July 2022 billing cycle  
Latest information from MWL staff indicates they now believe a 6- to 9-month implementation timeline is required to incorporate the new charge into the utility

billing software

- Collaborate on data available to refine revenue projections and assure all beneficiaries of city services are included as payers of the charge

Business process needs include:

- Cost recovery methodology
- Payment application across three utilities and new fee
- Bill dispute procedures and authorities
- Accounting, revenue recognition, funds transfers

Communications plan includes:

- Education campaign through billing inserts and informational sessions with local groups
- Website update
- Social Media Video campaign (councilors and staff)
- FAQs and customer service representative support

## City Council Next Steps

**Ordinance** will be crafted to reflect the rate structure and other pertinent details for the service charge

**Resolution** to address updates in the City's payment in lieu of tax (PILOT) for electric utility customers

**FY2022-23 Proposed Budget** will include the anticipated revenue and direct costs associated with the City Service Charge

An additional work session will likely be needed to provide any additional information requested that will allow staff guidance to be provided on the various policy choices before you. We would look to schedule that in March 2022.

## Fiscal Impact:

These discussions will have an impact on the City's financial sustainability and ability to maintain services in the FY23 budget cycle and beyond.

## Attachments:

1. Resolution 2021-55 regarding sustainable funding actions

## RESOLUTION NO. 2021 - 55

A Resolution of the Common Council of the City of McMinnville preliminarily adopting certain sustainable funding sources.

### RECITALS:

**Whereas**, in 2021, the McMinnville City Council established an objective to "address insufficient resources by finding new sustainable funding sources;" and

**Whereas**, the Budget Committee of the City of McMinnville held several work sessions to discuss options for new, sustainable resources; and

**Whereas**, the resources were evaluated based on seven (7) criteria, which evaluation was included in the September 22, 2021 staff report; and

**Whereas**, based on that evaluation, staff recommended that a service fee paid via utility billing be established; and

**Whereas**, staff also recommended that the City continue working toward establishing a new fire district, creating a business license program, and utilizing a program of interfund borrowing for capital investments; and

**Whereas**, staff further recommended that the City continue exploring a construction excise tax; and

**Whereas**, staff indicated an intent to continue iterative advancements regarding systems development charges, franchise fees, and cost recovery; and

**Whereas**, the Budget Committee reviewed the staff recommendations and supporting materials provided throughout the Budget Committee's discussions on new, sustainable resources and its recommendation regarding the adoption of certain sustainable funding sources at its meeting on October 20, 2021; and

**Whereas**, the Council has reviewed the Budget Committee's recommendation; and



**Whereas**, the Council understands that further discussions and approvals must occur to determine the scope and implementation of any new, sustainable resources.

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

1. The Council hereby preliminarily adopts a new service fee to support the general fund with a formal review after X years, subject to needed future approval by the Council regarding the scope and implementation of the service fee.
2. The Council preliminarily adopts a business license program, also subject to needed future approval by the Council regarding the scope and implementation of the business license program.
3. The Council instructs staff to continue the effort of creating a new fire district and utilizing interfund borrowing for capital investments.
4. This resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 9th day of November, 2021 by the following votes:

Ayes: \_\_\_\_\_ Drabkin, Garvin, Geary, Menke, Peralta \_\_\_\_\_

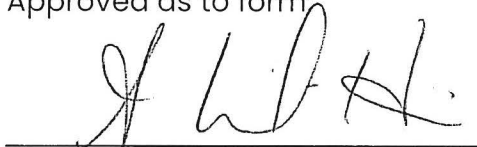
Nays: \_\_\_\_\_ Chenoweth \_\_\_\_\_

Approved this 9th day of November 2021.



\_\_\_\_\_  
MAYOR

Approved as to form:



\_\_\_\_\_  
City Attorney

Attest:



\_\_\_\_\_  
City Recorder

# McMinnville Sustainable Resources and the City Services Charge

McMinnville City Council Meeting  
Including McMinnville Budget Committee

March 22, 2022

# Sustainable Resources and City Services Charge

## Presentation

Deborah Galardi, Galardi Rothstein Group  
McMinnville staff

## Policy guidance conclusions

1. Annual Resource Total Target
  - Amount to raise
  - Mix of resource options
2. City Services Charge Elements
  - Charging structure
  - Exemptions, discount program

# Annual Resource Target

[City Staff]

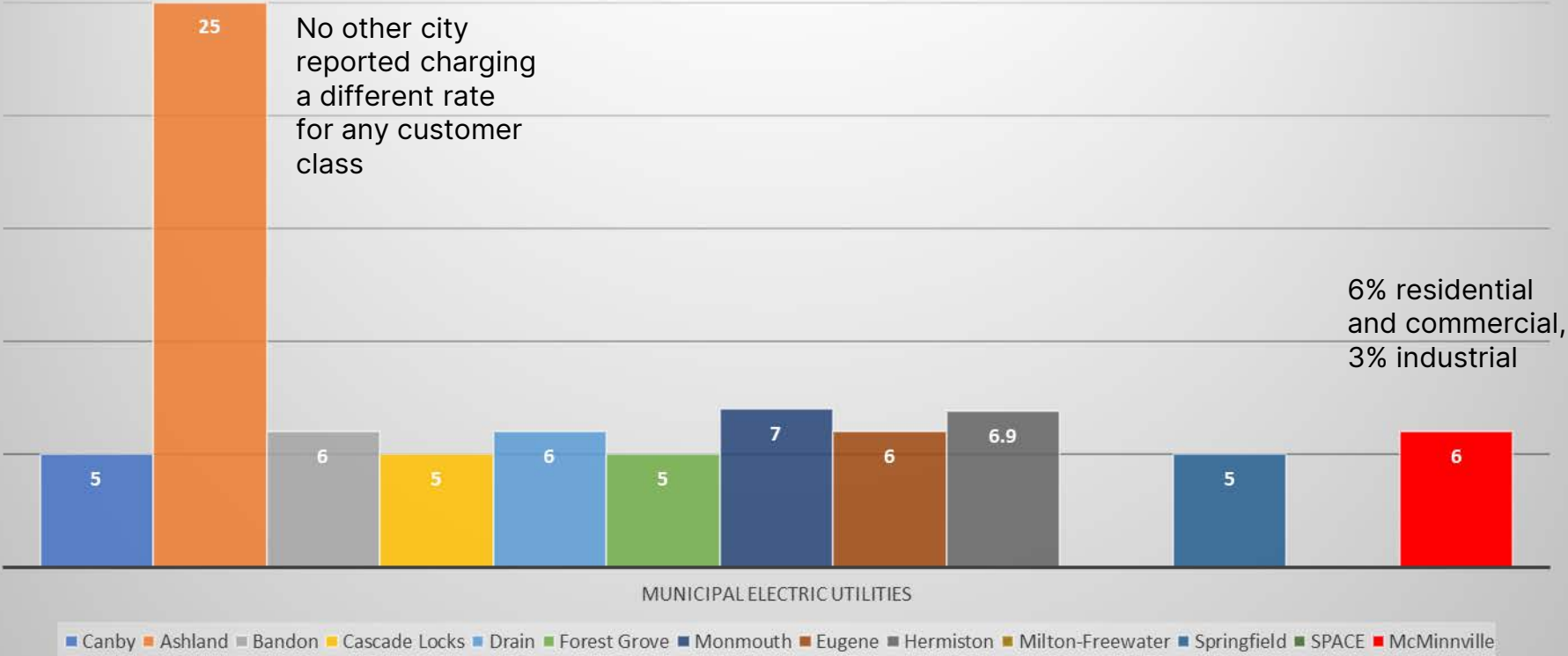
# Sustainable Resource Options

	Low	High	Low	High	Resid %	Biz-Industrial %
City Services Charge	2,000,000	3,500,000	Res \$9.41 to 11.25 Biz \$11.25 to 662.90	Res \$16.46 to 19.69 Biz \$19.69 to 1160.08	Option 3: 82% Option 4: 69%	Option 3: 18% Option 4: 31%
Payment in Lieu of Tax (PILOT)	500,000	2,175,000	all pay 6%	all pay 10%	34%	66%
Water Franchise Fee*	190,000	585,000	5% franchise net revenue	10% franchise net revenue	58%	42%
Wastewater Franchise Fee	105,000	535,000	6% franchise fee	10% franchise fee	77%	23%
<b>Total</b>	<b>2,795,000</b>	<b>6,795,000</b>				

\*Net amount noted, assumes \$200k annual water costs



# Municipal Electric Utilities



# Additional \$2 million

**\$2 million** represents approximate persistent annual budget funding gap for current city services in general fund.

Making progress on building up the reserve, addressing deferred maintenance for existing assets or improving below base core services would not be achievable without service reductions in other service areas.

## Options for raising \$2 million

- institute City Services Charge at the \$2 million level
- increase PILOT rate collected on all accounts to 10%
- Increase PILOT rate to 7% or 8% and a combination of wastewater franchise fee increase and add water franchise fee

# Additional \$3 million

**\$3 million** addresses persistent annual budget funding gap for current city services in general fund, would allow progress on building back the reserve and to either address selected deferred maintenance or modest core services investments. Difficult annual choices would be required, trading off investing in core services or programming the community aspires to from MacTown 2032 against deferred maintenance needs.

## Options for raising \$3 million

- institute City Services Charge at the \$3 million level
- institute City Services Charge at the \$2.1 million level and increase PILOT rate on all accounts to 7%
- a mix of City Services Charge, increased PILOT rate and action on either wastewater or water franchise fee
- Increase PILOT to 10%, wastewater franchise fee to 9% and add water franchise fee at 8%



# Additional \$4 million

**\$4 million** addresses budget gap, building back reserve, making inroads in deferred maintenance and investing in targeted core services and/or MacTown 2032 programming. It would not stretch to fully addressing facility needs (which requires an average annual investment of over \$3 million). Again, trade offs regarding raising core service levels, desired new programming and maintaining existing assets are required.

## Options for raising \$4 million

- institute City Services Charge at \$2.25 million level and increase PILOT to 9% on all accounts
- a mix of City Services Charge, increased PILOT rate and action on either wastewater or water franchise fee

# Additional \$5 million

**\$5 million** addresses budget gap, building back reserve, investing in a number of core services and MacTown 2032 programming while also addressing some facility deferred maintenance. Trade-offs across these competing priorities and worthy core services enhancements and special projects would still be required.

## Options for raising \$5 million

- institute City Services Charge at \$2.8 million level and increase PILOT to 10% on all accounts
- institute City Services Charge at \$3.25 million level and increase PILOT to 9% on all accounts
- a mix of City Services Charge, increased PILOT rate and action on either wastewater or water franchise fee

# Additional \$6 million

**\$6 million** addresses budget gap, building back reserve, investing in a broader range of below base and base level core services and MacTown 2032 programming while also addressing some facility deferred maintenance. As noted in the 1/11/22 Core Services presentation to Council, moving the top 25 base and below base core services up one service level would cost an estimated \$3.18 million.

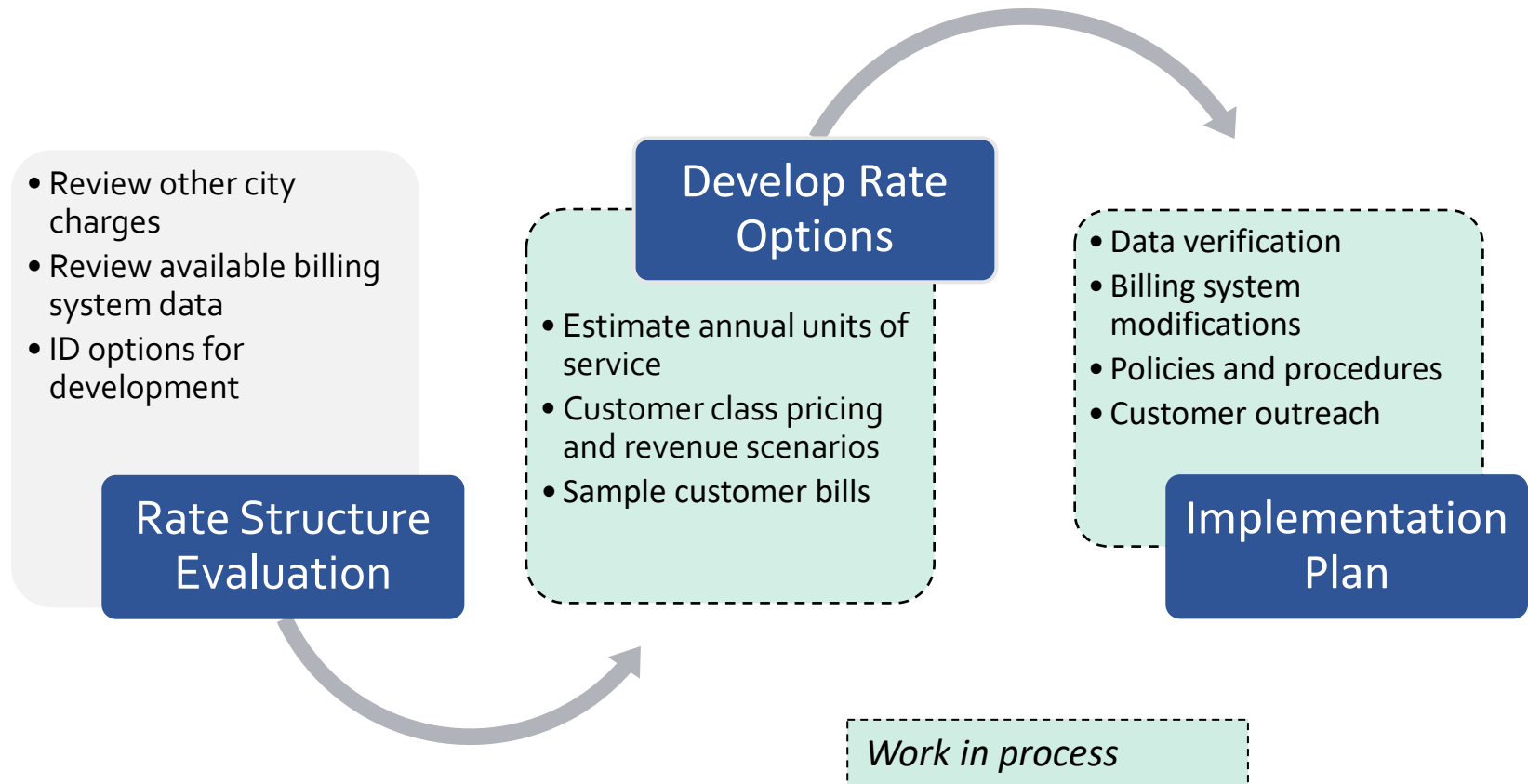
## Options for raising \$6 million

- institute City Services Charge at \$3.5 million level, increase PILOT to 10% on all accounts and action on either wastewater or water franchise fee
- institute City Services Charge at \$3.5 million level and increase PILOT to 9.5% on all accounts, a 7% wastewater and 6% water franchise fee

# City Services Charge Elements

[Deborah Galardi]

# City Services Charge: High Level Work Plan

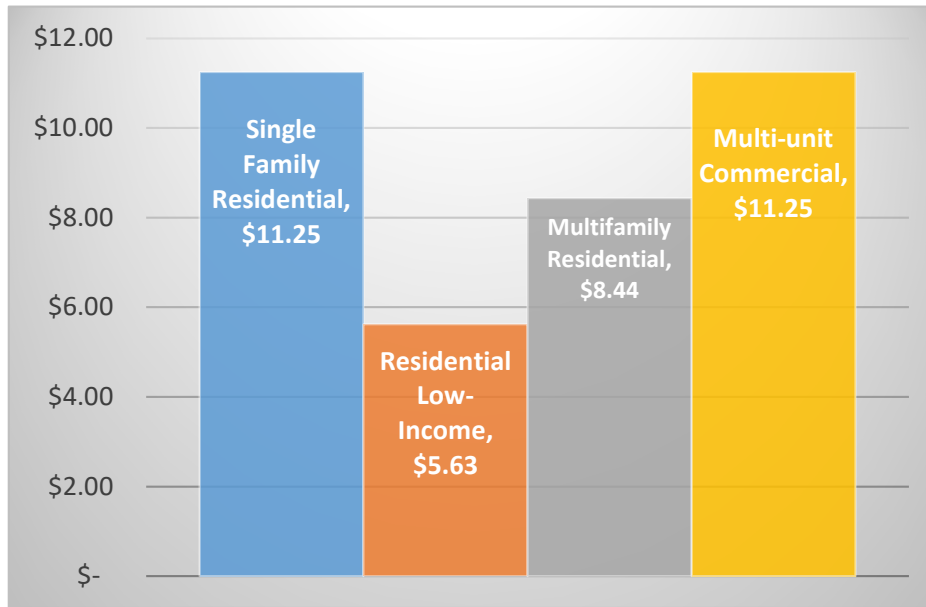


# Preliminary City Services Charge Structure Options

Option	Charge Basis by Class		Pricing by Class
	(Residential & Multi-unit Commercial)	Nonresidential (Single Unit)	
1	Number of Units	Per Account	Varies
2	Meter size**	Meter Size	Uniform
3	Number of Units	Meter Size	Varies by type of unit for single family & multifamily; Nonresidential small meter \$ = single family \$/unit
4	Number of Units	Meter Size	Varies by type of unit for all classes; Nonresidential rates set to recover 31% of costs

*Options for further consideration*

# REVISED\* Option 3 (\$2 M): Residential & Multi-Unit \$/Unit; Commercial by Meter Size



Commercial/Industrial	\$/Meter
5/8" - 3/4" Meter	\$ 11.25
1" Meter	18.75
1.5" Meter	37.50
2" Meter	60.00
3" Meter	120.00
4" Meter	187.50
6" Meter	375.00

*\*Rates have been updated to reflect 3/4" meter equivalency factors and continued billing data analysis*

# REVISED\* Option 4 (\$2 M): Residential & Multi-Unit \$/Unit; Commercial by Meter Size (31% of Total)



Commercial/Industrial	\$/Meter
5/8" - 3/4" Meter	\$ 19.89
1" Meter	33.15
1.5" Meter	66.29
2" Meter	106.06
3" Meter	212.13
4" Meter	331.45
6" Meter	662.90

Nonresidential revenue = 31% (based on employees as a percent of population + employees)

*\*Rates have been updated to reflect 3/4" meter equivalency factors and continued billing data analysis*



# Comparison of Options

Criteria	Option 3 \$2 M	Option 4 \$2 M	Option 3 \$3.5 M	Option 4 \$3.5 M
Single Family Bill	\$11.25	\$9.41	\$19.69	\$16.46
Small Commercial Bill	\$11.25	\$19.89	\$19.69	\$34.80
Large Commercial Bill	\$375.00	\$662.90	\$656.25	\$1,160.08
Preliminary Revenue Allocation (%)				
Residential	67%	56%	67%	56%
Multifamily	15%	13%	15%	13%
Commercial/Ind.	18%	31%	18%	31%

# Sample Bill Comparison

Customer Class	Units	Meter Size (")	Option 3 (\$2M)	Option 4 (\$2M)	Option 3 (\$3.5 M)	Option 4 (\$3.5 M)
Residential (All Customers)	1	3/4	\$ 11.25	\$ 9.41	\$ 19.69	\$ 16.46
Residential Low Income	1	3/4	5.63	4.70	9.84	8.23
Multi Family						
Small complex	4	1	33.75	28.22	59.06	49.39
Large complex	88	4	742.50	620.90	1,299.38	1,086.57
Commercial/Industrial						
Small	1	3/4	11.25	19.89	19.69	34.80
Medium	1	2	60.00	106.06	105.00	185.61
Large	1	6	375.00	662.90	656.25	1,160.08
Commercial - Multi-Unit						
Small	2	3/4	22.50	39.77	39.38	69.60
Medium	9	2	101.25	178.98	177.19	313.22
<b>Estimated Total Revenue (\$M)</b>			<b>\$2.0</b>	<b>\$2.0</b>	<b>\$3.5</b>	<b>\$3.5</b>

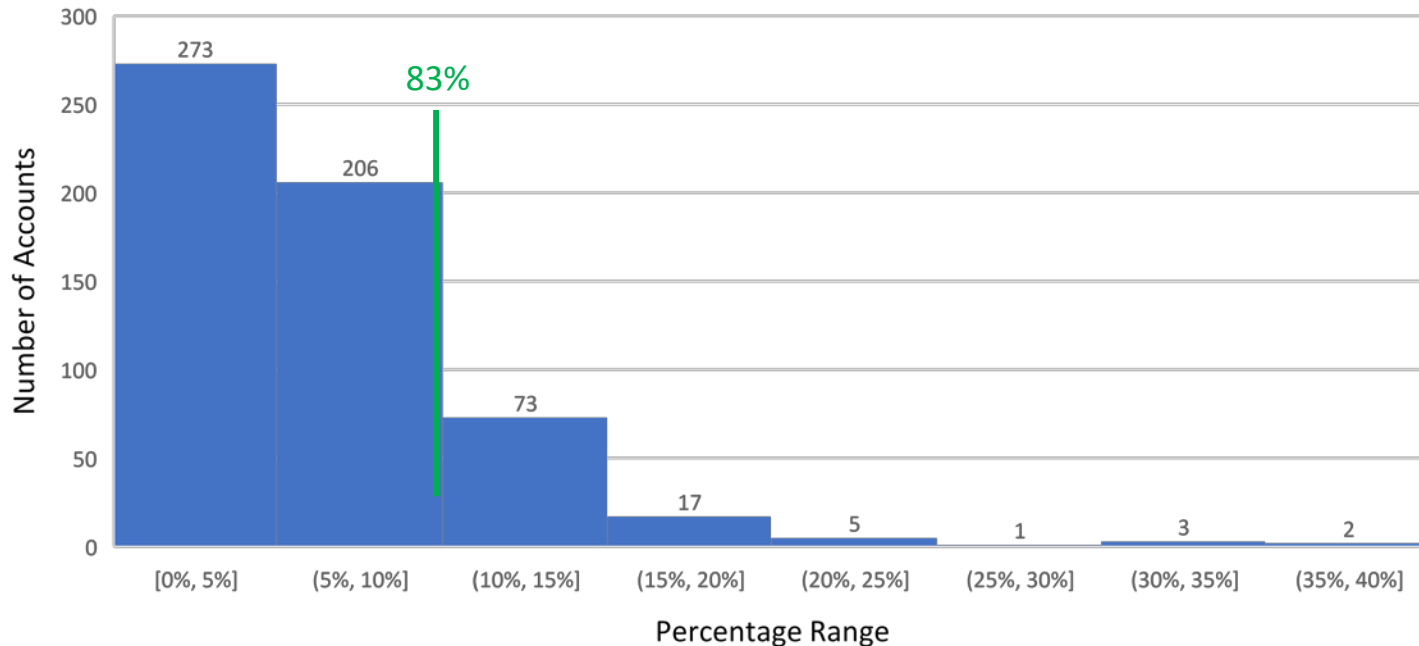
# Sample Bill Increases – Average Bills\* (Electric/Water/Sewer Combined)

			\$2.0 Million		\$3.5 Million	
		Average Bill (E/W/S)	Option 3	Option 4	Option 3	Option 4
<b>Single Family Average</b>		\$183.43	6.1%	5.1%	10.7%	9.0%
<b>General Service</b>						
5/8" - 3/4"		\$192.95	5.8%	10.3%	10.2%	18.0%
1"		\$746.74	2.5%	4.4%	4.4%	7.8%
1 1/2"		\$863.00	4.3%	7.7%	7.6%	13.4%
2"		\$2,005.97	3.0%	5.3%	5.2%	9.3%
3"		\$4,844.35	2.5%	4.4%	4.3%	7.7%
4"		\$12,414.50	1.5%	2.7%	2.6%	4.7%
6"		\$4,837.13	7.8%	13.7%	13.6%	24.0%

*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available. 6" meter based on only 1 customer and may not reflect total bill.*

# Sample Range of Bill Increases (General Service Customers)

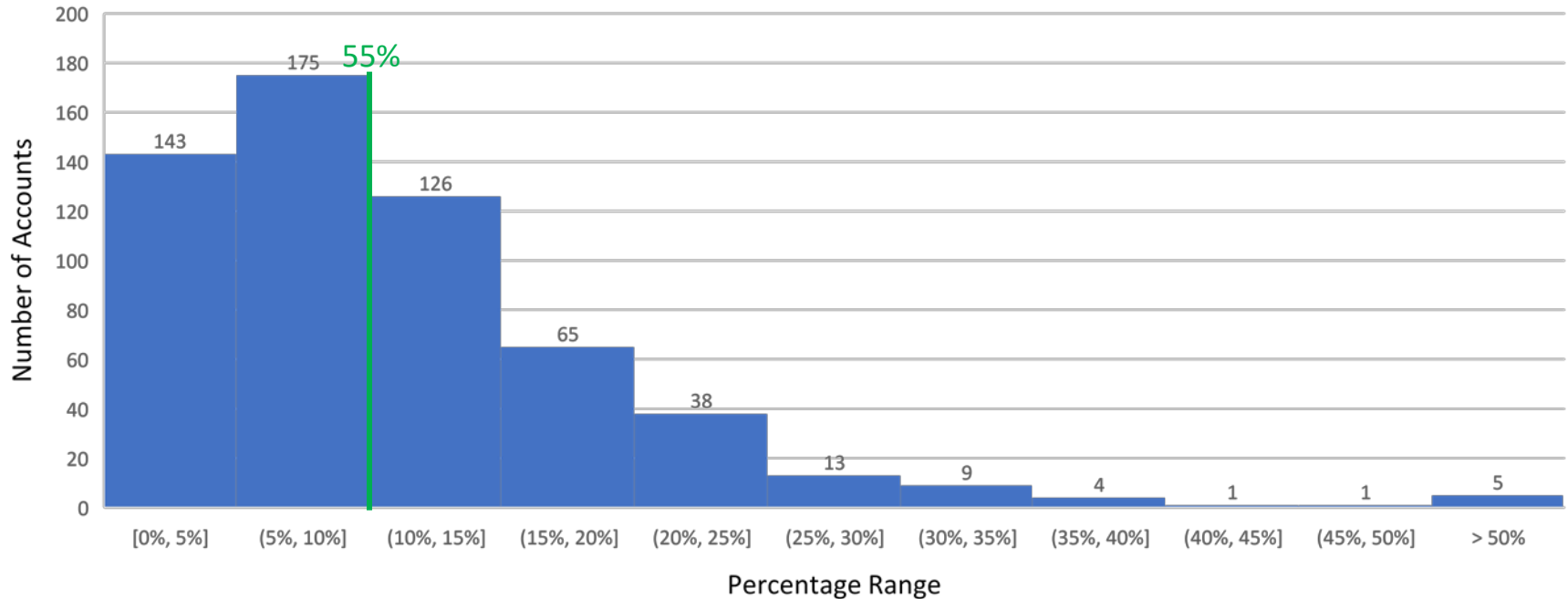
## Option 3 - \$2.0 Million % Bill Increase Distribution



*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available.*

# Sample Range of Bill Increases (General Service Customers)

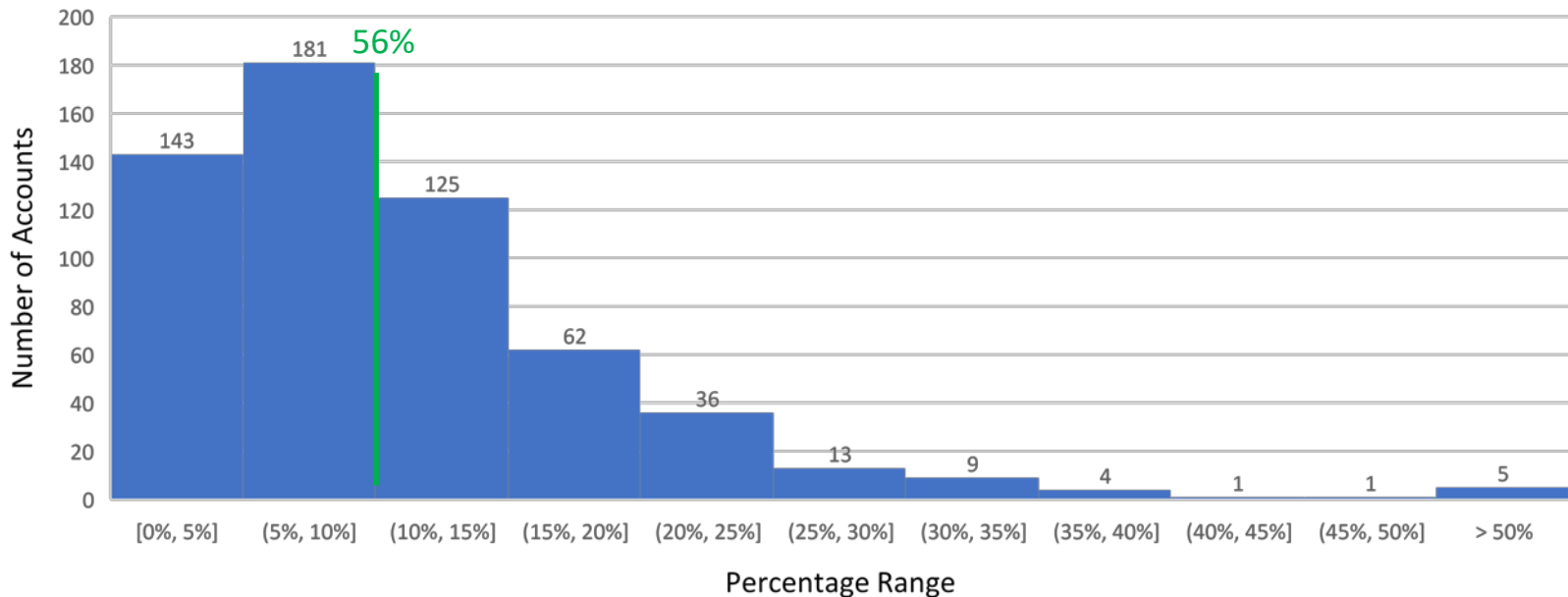
## Option 4 - \$2.0 Million % Bill Increase Distribution



*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available.*

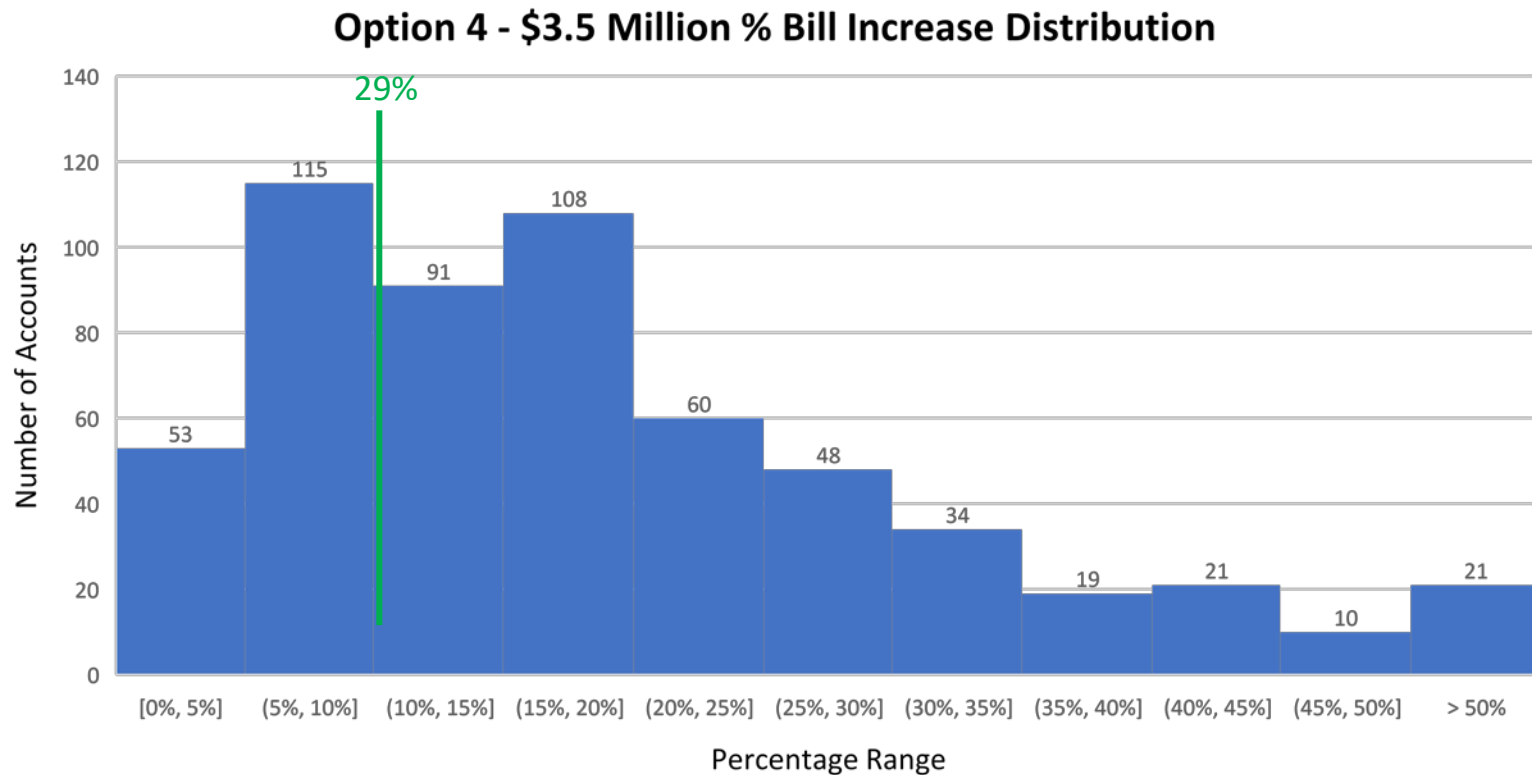
# Sample Range of Bill Increases (General Service Customers)

## Option 3 - \$3.5 Million % Bill Increase Distribution



*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available.*

# Sample Range of Bill Increases (General Service Customers)



*\*Based on sample of about 600 General Service (Commercial/Industrial) customers where information on electrical bills was available.*

# Exemptions, Discounts

- Any exemptions of interest?
  - Exemptions can reduce resources available for programming and increase complexity and cost of implementation and administration
  - Exclude secondary meters (irrigation, fire, etc.)
  - Exclude the City? City currently pays electric but not water or sewer
- Low-income program
  - Small flat fee - \$2, \$5, other?
  - Complete waiver?



# Implementation Next Steps

- Continue to work with McMinnville Water and Light to refine which data categories will properly assess the intended City Service Charge rates
- Validate that residential and general service class customers will not receive duplicate city service charges or that some residents or enterprises will be missed and not contribute to funding the city services they enjoy and rely on
- Verify customer class assumptions if selected structure includes variable charges by class
  - Residential vs. nonresidential
  - Multi-unit residential vs. nonresidential (dwelling units vs. multi-tenant commercial)

# Council Next Steps

**Ordinance** will be crafted to reflect the rate structure and other pertinent details for the service charge

**Resolution(s)** to update the City's payment in lieu of tax (PILOT) or existing wastewater franchise fee or addition of a water franchise fee

**FY2022-23 Proposed Budget** will include the anticipated revenue and direct costs associated with the City Service Charge

# Guidance on policy decisions

## Charge Structure

- Basis for charge (accounts, units, meters)
- Uniform rate vs. class-specific pricing

## Pricing & Revenue Targets

- Annual net revenue overall
- Pricing by class (revenue allocation)

## Other Funding Sources

- Payment in Lieu of Tax on electric service
- Franchise fees

## Billing Policies

- Exemptions
- Low-income discounts



# McMinnville Sustainable Resources

McMinnville City Council  
Public Hearing and Meeting

April 26, 2022



City of  
McMinnville

Amended on 06.02.2022  
140 of 307

# Sustainable Resources Actions

To meet Council goal to **generate new, sustainable resources** to support existing city services, address deferred maintenance and capital replacement needs and invest in improving targeted core city services, staff recommends approving the four resolutions before you

1. All municipal electric users be charged same payment in lieu of tax rate of 6%, removing 3% rate for two industrial customers
2. Establish a water franchise fee at 6%
3. Establish an electric franchise fee at 6%
4. Increase the wastewater franchise fee from 5% to 6%

# Why did Council act in November 2021 to direct staff to generate new sustainable resources?

- Sustainable resources are needed to maintain our “core services” of police, fire, library, parks and recreation, short- and long-term planning efforts, municipal court, among others
- MacTown 2032 includes new work that the community aspires to – new resources are needed to advance on those goals as well
- Deferred maintenance and capital equipment replacement investments have been limited, often removed from the annual workplan to balance the budget
- Commitment to build reserves of two months of operating expense over next four fiscal years

# The updated staff proposal based on guidance from 4/12/2022 meeting for new, sustainable resources

<b>Estimates for additional resources</b>		<b>New Option</b>	<b>Residential %</b>	<b>Commercial-Industrial %</b>
Payment in Lieu of Tax (PILOT)	481,000	all pay 6%	34%	66%
Electric Franchise Fee	2,543,000	6% franchise fee	34%	66%
Water Franchise Fee*	272,000	6% franchise net revenue	58%	42%
Wastewater Franchise Fee	105,000	6% franchise fee	77%	23%
<b>Total Additional Revenue</b>	<b>3,401,000</b>		<b>37%</b>	<b>63%</b>

\*Net amount noted, assumes \$200k annual water costs plus franchise percentage

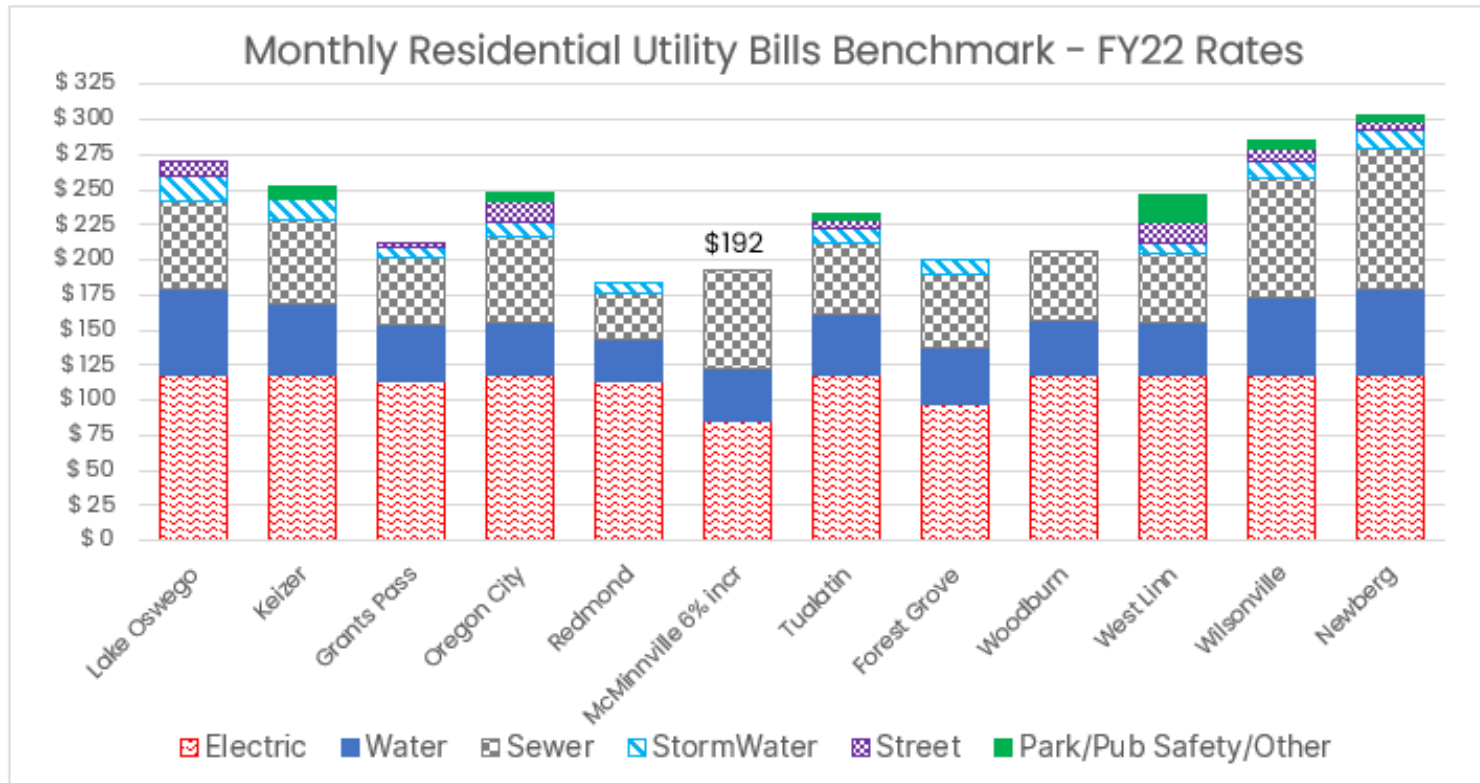


# Comparing Franchise Fees, PILOT and Privilege tax

- Cities can impose charges for use of public rights-of-way (ROW)
  - Franchise fees are fees collected by the City for utilities' use of the ROW
  - McMinnville already charges franchise fees to private enterprises (Recology, NW Natural, telecoms) and public utilities (wastewater)
- Payment in Lieu of Tax (PILOT) is not a franchise fee
  - PILOTs compensate a local government for lost property tax revenue because the electric utility is owned by the City and, therefore, does not pay property tax like private electric utilities do (PGE, others)
- Privilege Tax is not a franchise fee
  - ORS 221.655 expressly treats privilege taxes as separate from franchise fees



# McMinnville Utility Cost Benchmarking



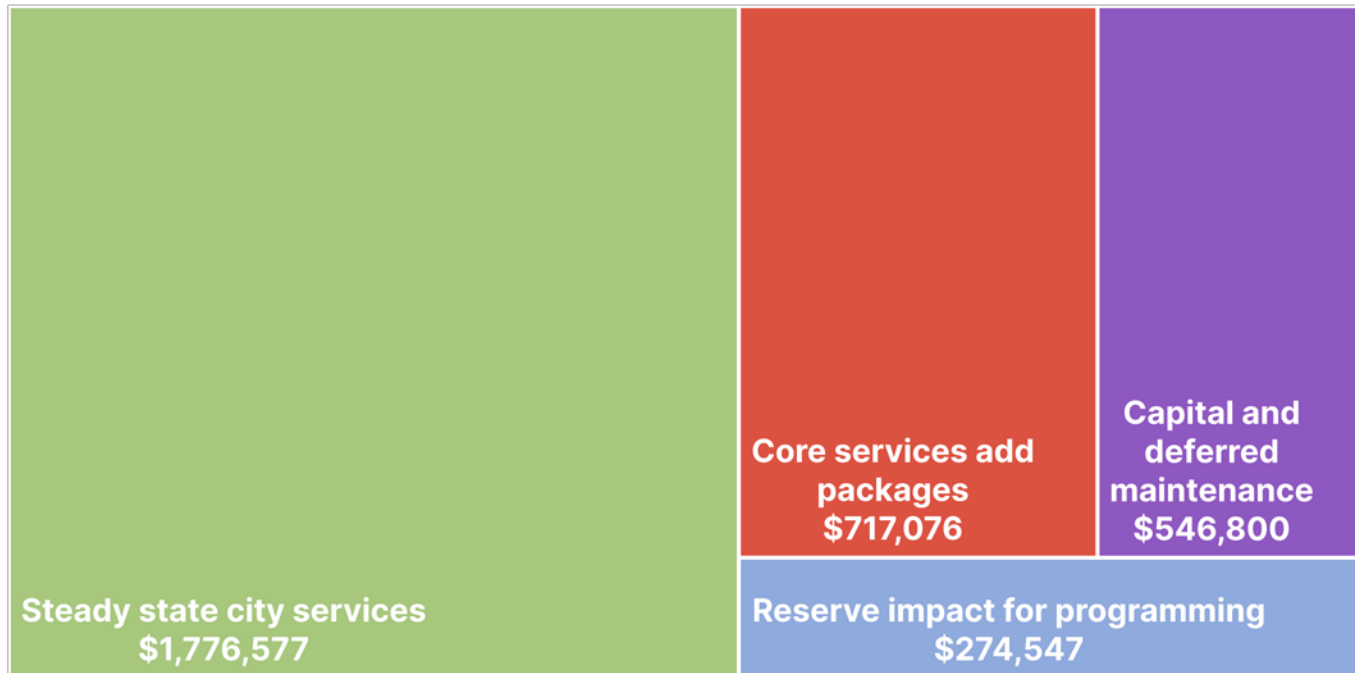
Based on 10 Ccfs water, 7.8 ccf sewer and 1100 kWh per month of FY21 rates

Residential customers remain 11<sup>th</sup> of 12 lowest utility bills (5 larger in population and 6 smaller) with proposal for 6% franchise fees on water, electric and sewer - \$7.59 increase

Presented 9/22/2021, updated 4/12/2022 proposal, updated 4/26/2022 proposal

# Sustainable Resources

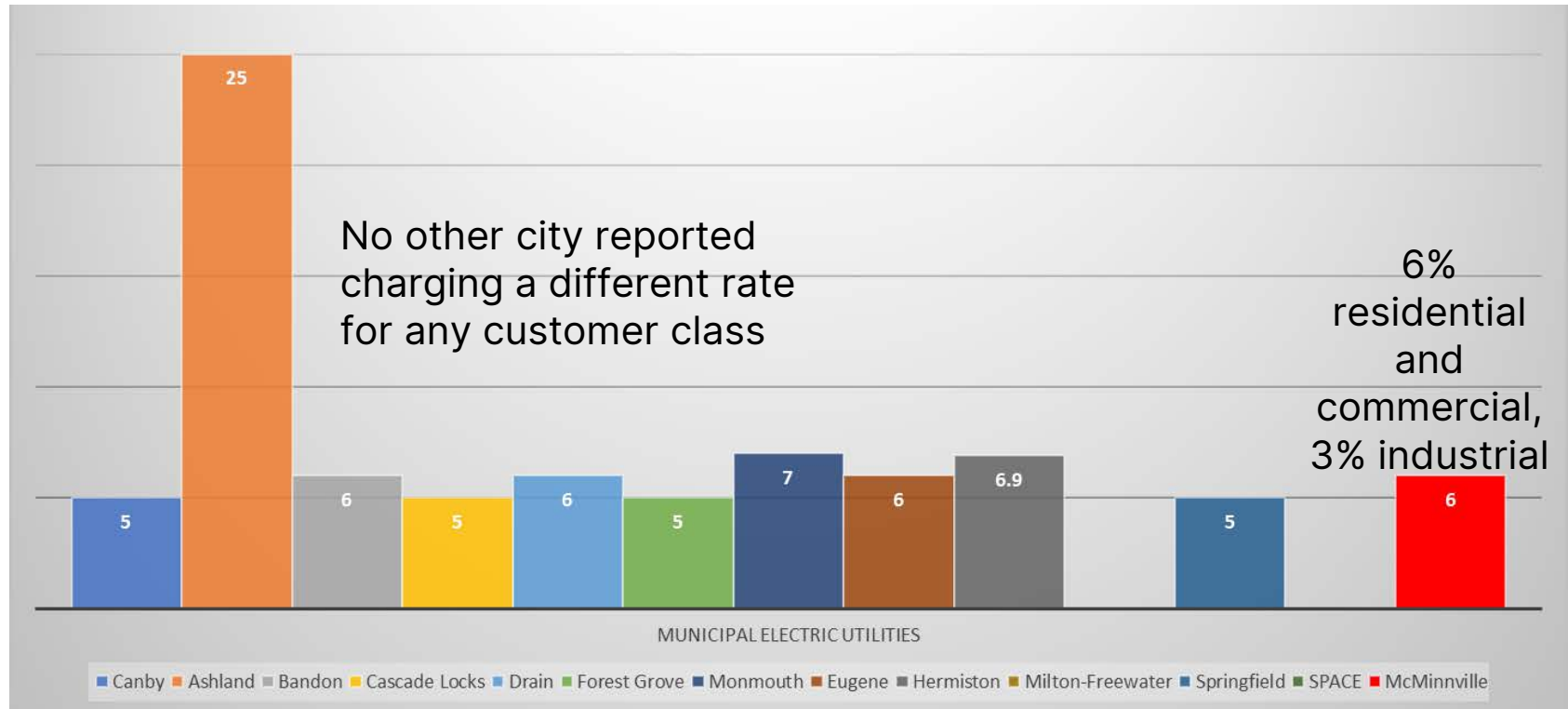
FY2022–23 Proposed budget includes \$3.315 million\*



\* Decision on allocation of additional \$86,000 from updated proposal will be made at Budget Committee meetings in mid-May

# Are Payments in Lieu of Tax (PILOT) charges above statutory 3% minimum unusual?

## 12 Municipal Owned Electric Utilities in Oregon



Presented 3/22/2022 and 4/12/2022

# Are water franchise fee charges unusual?

## Water franchise status for comparably sized cities

Lake Oswego	Keizer	Grants Pass	Oregon City	Redmond	McMinnville
No	5%	5%	6%	5%	No

Tualatin	Forest Grove	Woodburn	West Linn	Wilsonville	Newberg
No	5%	Yes	No	4%	No

Shown in order of 5 larger in population and 6 smaller

Presented 4/12/2022

# Are electric franchise fee charges unusual?

## Electric franchise status for comparably sized cities

Lake Oswego	Keizer	Grants Pass	Oregon City	Redmond	McMinnville
5%	5%	5%	5%	7%*	No

Tualatin	Forest Grove	Woodburn	West Linn	Wilsonville	Newberg
3.50%	No	5%	5.00%	5%	Yes

\* 10-15% of Redmond is served by an electric cooperative with a current contract at 5%

\*\* 3.5% Franchise + 1.5% privilege tax

Shown in order of 5 larger in population and 6 smaller

# Sustainable Resources Actions

Staff recommends  
approving the four  
resolutions before Council



# McMinnville Sustainable Resources

McMinnville City Council Meeting

April 12, 2022

# Sustainable Resources Discussion

## Proposed actions

To meet Council goal to generate new, sustainable resources, three actions are before you

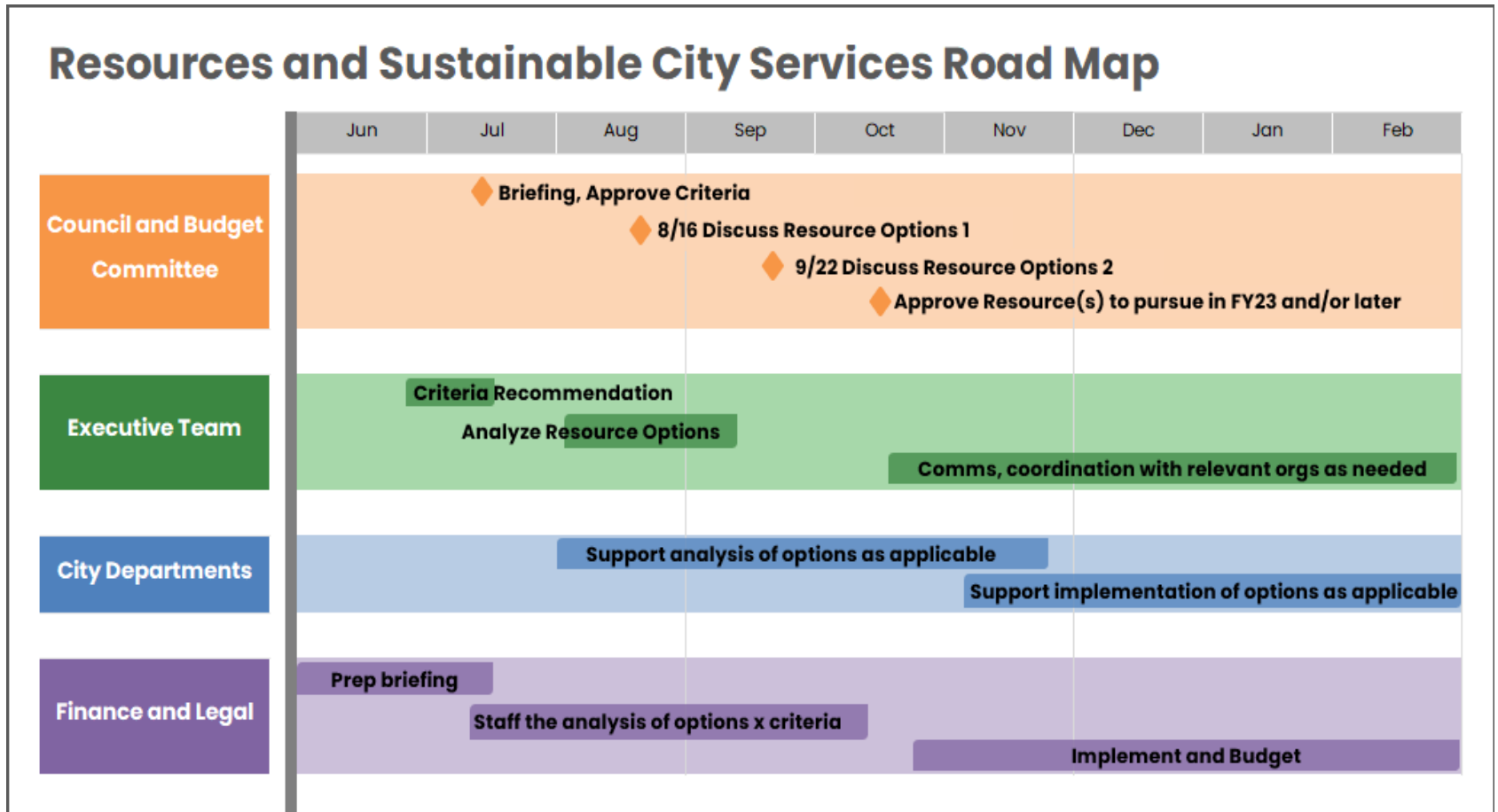
1. Increase payment in Lieu of Tax to 10% from 6% and remove subsidy for industrial customers
2. Establish a Water franchise fee at 10%
3. Increase the Wastewater franchise fee from 5% to 10%

## Guidance on wastewater rates if increase wastewater franchise



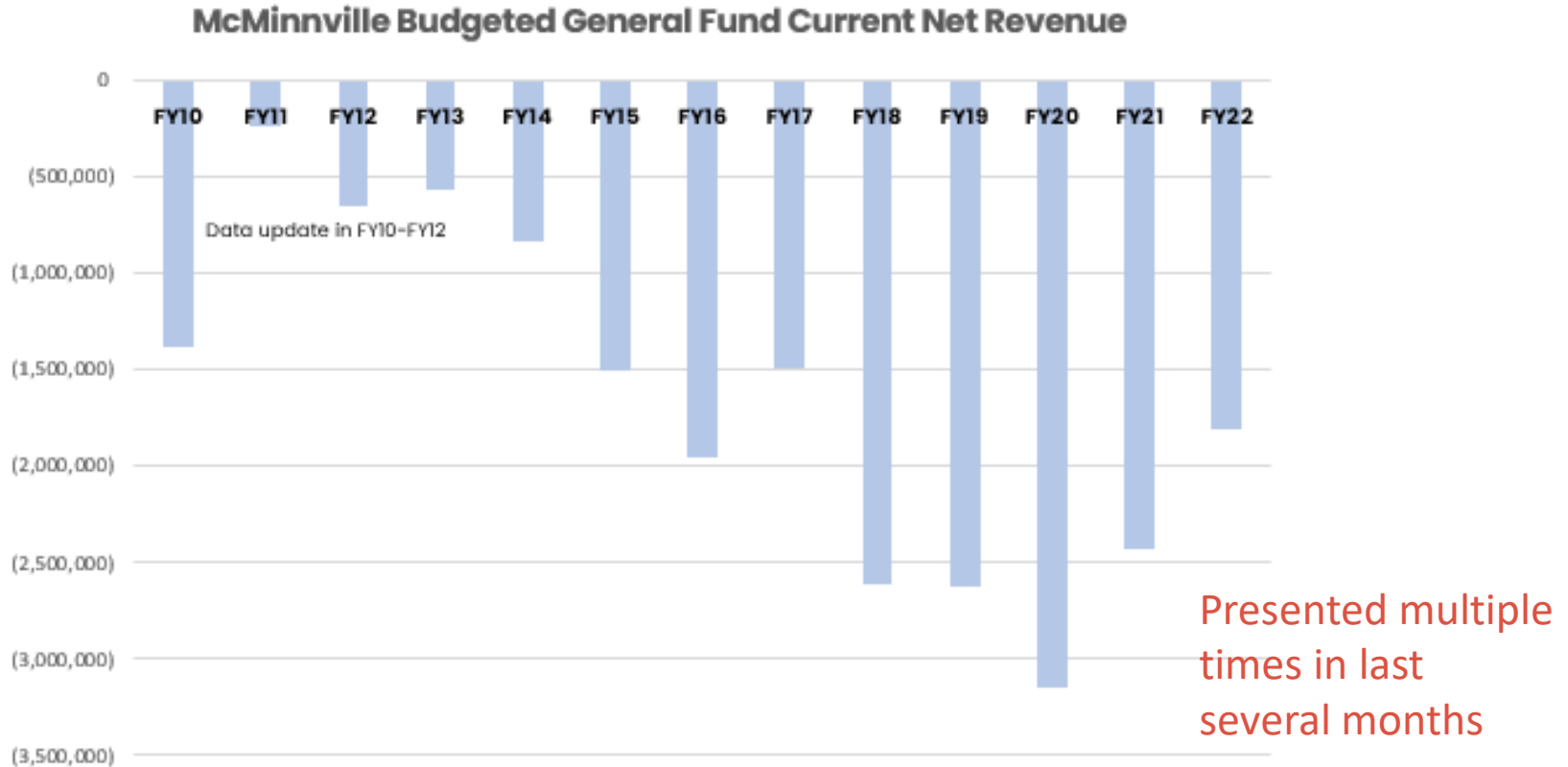


# Sustainable Resources Process



Presented multiple times in last several months

# History of Leaning on Reserves



A persistent budget gap of approximately \$2 million exists in the general fund, which has a negative impact on the city's ability to sustain current service levels

# Why are we on this journey?

- New sustainable resources are needed to maintain our core services of police, fire, library, parks and recreation, short- and long-term planning efforts, municipal court, among others
- MacTown 2032 includes new work that the community aspires to – new resources are needed to advance on those goals as well
- Deferred maintenance and capital equipment replacement investments have been limited, often removed from the annual workplan to balance the budget
- Commitment to build reserves of two months of operating expense over next four fiscal years

# Sustainable Resource Options

Presented 3/22/2022

	Low	High	Low	High	Resid %	Biz-Industrial %
City Services Charge	2,000,000	3,500,000	Res \$9.41 to 11.25 Biz \$11.25 to 662.90	Res \$16.46 to 19.69 Biz \$19.69 to 1160.08	Option 3: 82% Option 4: 69%	Option 3: 18% Option 4: 31%
Payment in Lieu of Tax (PILOT)	500,000	2,175,000	all pay 6%	all pay 10%	34%	66%
Water Franchise Fee*	190,000	585,000	5% franchise net revenue	10% franchise net revenue	58%	42%
Wastewater Franchise Fee	105,000	535,000	6% franchise fee	10% franchise fee	77%	23%
<b>Total</b>	<b>2,795,000</b>	<b>6,795,000</b>				

\*Net amount noted, assumes \$200k annual water costs



# Feedback from 3/22/2022

At the previous Council meeting, the preferred instrument for creating a new sustainable resource for the City's core services – the City Services Charge – was tabled

Council asked staff to bring back a new mix of resource options that were also discussed in March (the previous slide)

# Staff proposal raises \$3.315 million in new, sustainable resources

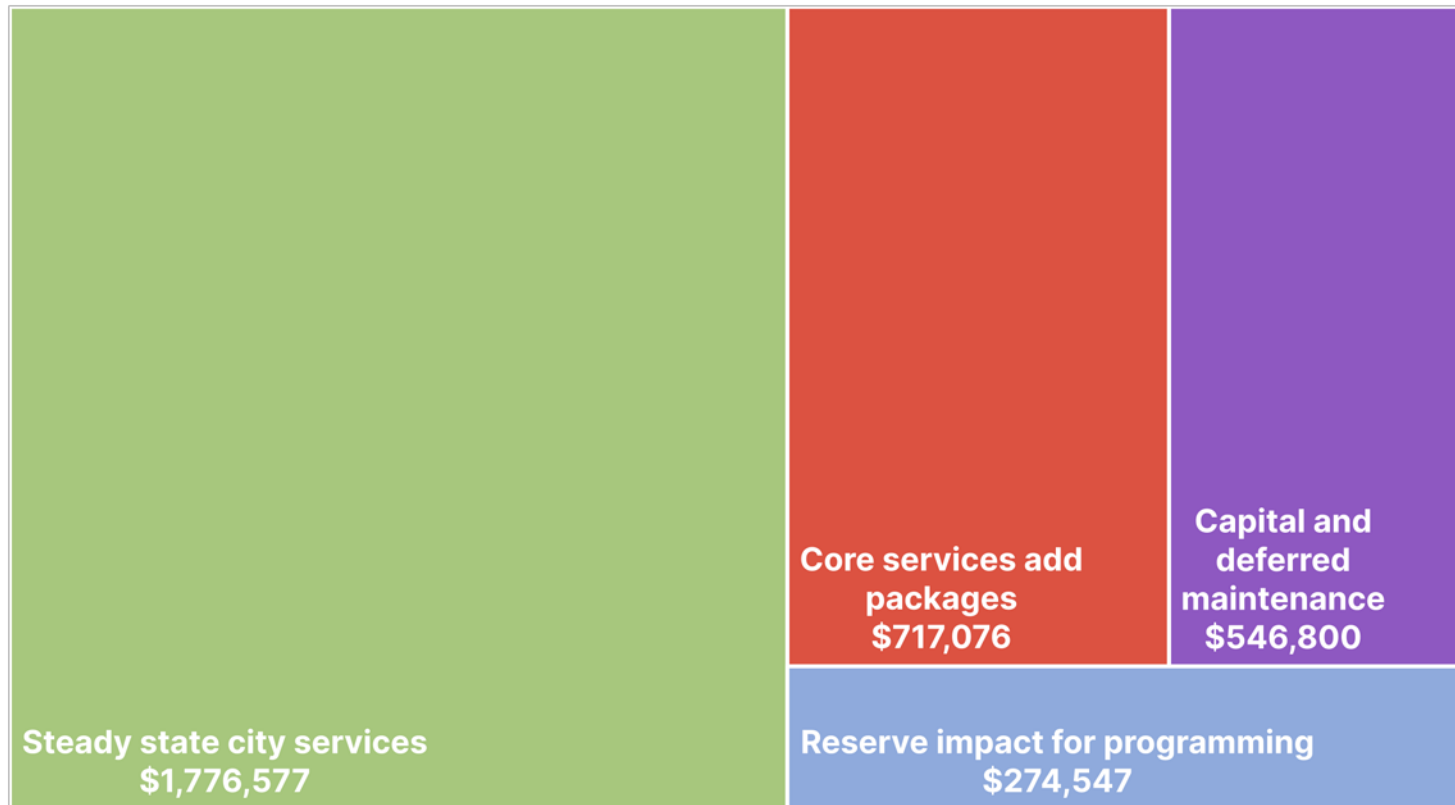
Estimates for additional resources - Option 2			Resid %	Biz-Industrial %
Payment in Lieu of Tax (PILOT)	2,175,000	all pay 10%	34%	66%
Water Franchise Fee*	605,000	10% franchise net revenue	58%	42%
Wastewater Franchise Fee	535,000	10% franchise fee	77%	23%
<b>Total Additional Revenue</b>	<b>3,315,000</b>		<b>45%</b>	<b>55%</b>

\*Net amount noted, assumes \$200k annual water costs

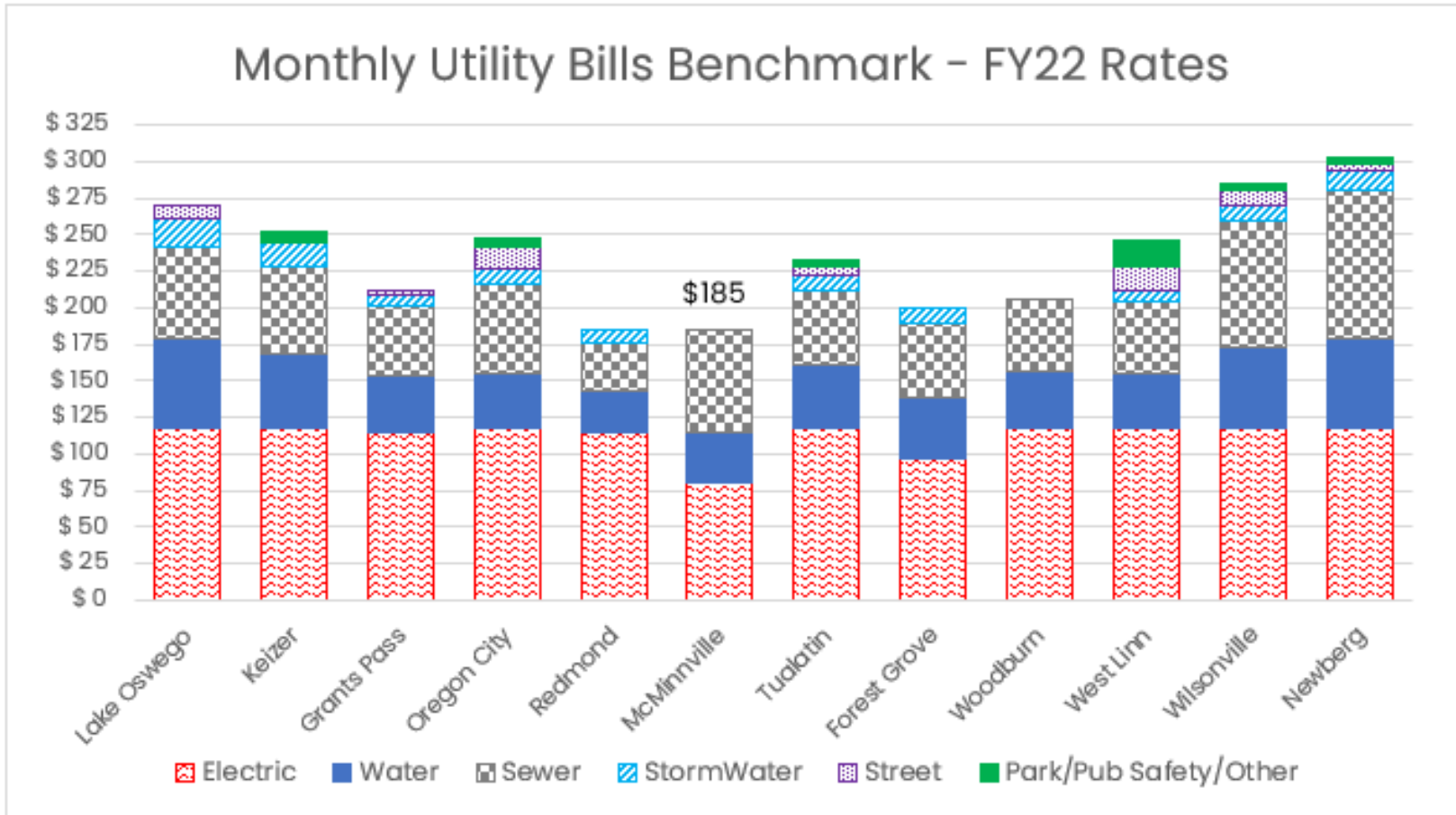


# Sustainable Resources

How the \$3.315 million is budgeted in FY2022-23



# McMinnville Utility Benchmarking



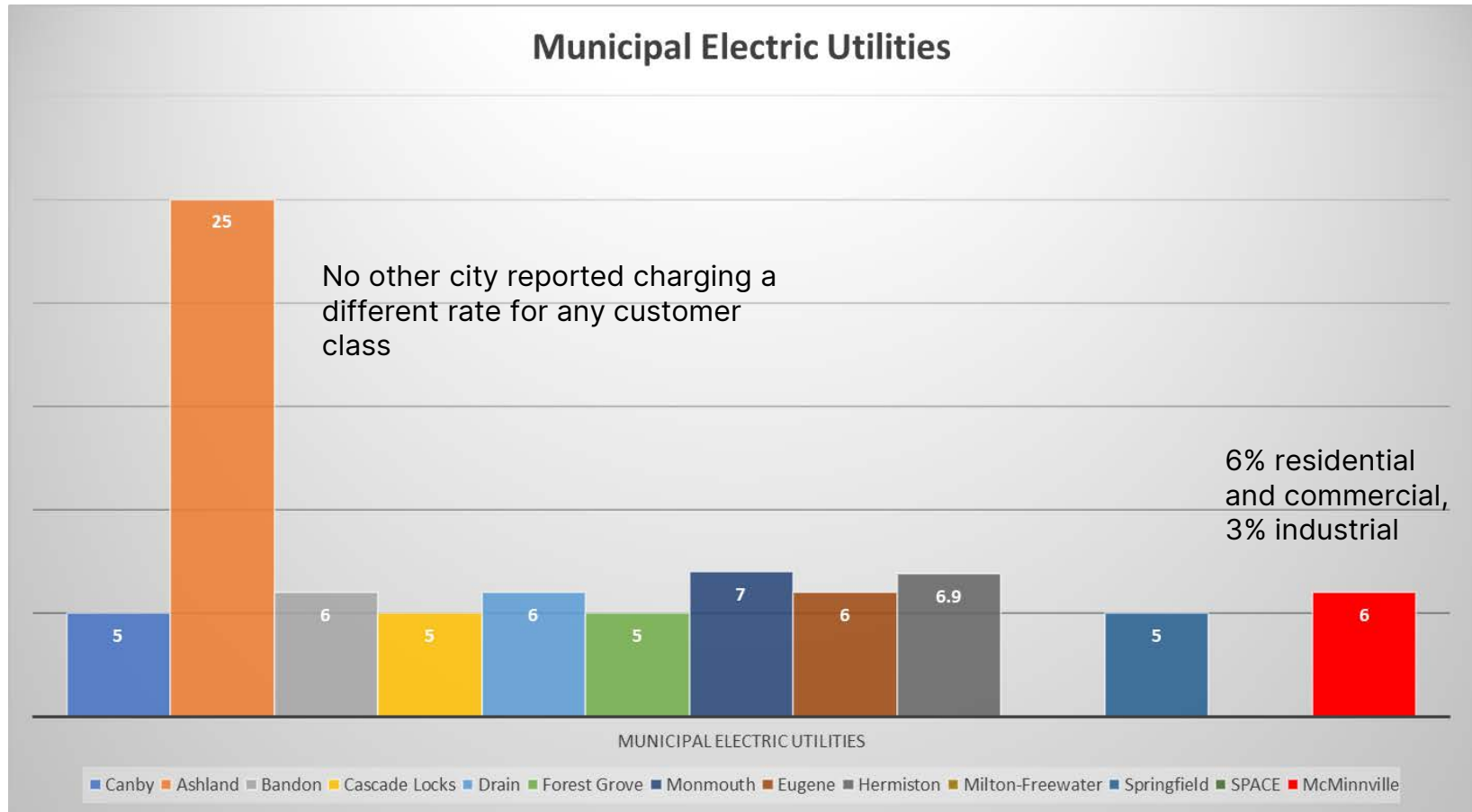
Based on 10 Ccfs water, 7.8 ccf sewer and 1100 kWh per month of FY21 rates

Presented 9/22/2021



# Are Payments in Lieu of Tax (PILOT) charges unusual?

Presented 3/22/2022



# Are Water franchise fee charges unusual?

Communities (5 larger in population and 6 smaller) water franchise status

Lake					
Oswego	Keizer	Grants Pass	Oregon City	Redmond	McMinnville
No	5%	5%	6%	5%	No
Forest					
Tualatin	Grove	Woodburn	West Linn	Wilsonville	Newberg
No	Yes?	Yes	No	4%	No

# Revisiting City Service Charge

Customer Class	Units	Meter Size ("	Option 3 (\$2M)	Option 4 (\$2M)	Option 3 (\$3.5 M)	Option 4 (\$3.5 M)
Residential (All Customers)	1	3/4	\$ 11.25	\$ 9.41	\$ 19.69	\$ 16.46
Residential Low Income	1	3/4	5.63	4.70	9.84	8.23
Multi Family						
Small complex	4	1	33.75	28.22	59.06	49.39
Large complex	88	4	742.50	620.90	1,299.38	1,086.57
Commercial/Industrial						
Small	1	3/4	11.25	19.89	19.69	34.80
Medium	1	2	60.00	106.06	105.00	185.61
Large	1	6	375.00	662.90	656.25	1,160.08
Commercial - Multi-Unit						
Small	2	3/4	22.50	39.77	39.38	69.60
Medium	9	2	101.25	178.98	177.19	313.22
<i>Estimated Total Revenue (\$M)</i>			<i>\$2.0</i>	<i>\$2.0</i>	<i>\$3.5</i>	<i>\$3.5</i>

**Preferred structure from 3/22/2022 meeting was Option 3**

# Are city services charges unusual?

City	Parks	Public Safety Fees	General Operations Fee	Residential Total <sup>1</sup>
West Linn	\$19.26			\$19.26
Gresham <sup>2</sup>			\$15.00	\$15.00
Medford	\$5.35	\$9.42		\$14.77
Corvallis <sup>3</sup>	\$0.50	\$13.04		\$13.54
Cornelius			\$9.75	\$9.75
Albany			\$9.00	\$9.00
Salem <sup>4</sup>			\$8.34	\$8.34
Keizer <sup>5</sup>	\$4.00	\$4.00		\$8.00
Oregon City		\$6.50		\$6.50
Tigard	\$6.16			\$6.16
New berg <sup>6</sup>		\$5.26		\$5.26
Sandy		\$4.50		\$4.50
<b>Average</b>				<b>\$10.01</b>
<b>Median</b>				<b>\$8.67</b>

Presented 2/16/2022

<sup>1</sup>Excludes utility fees for water, wastewater, and stormwater and streets

<sup>2</sup>Single multi-services fee for police, fire, parks

<sup>3</sup>Public Safety fee includes two separate fees for police and fire

<sup>4</sup>Single multi-services fee for public safety, parks and libraries.

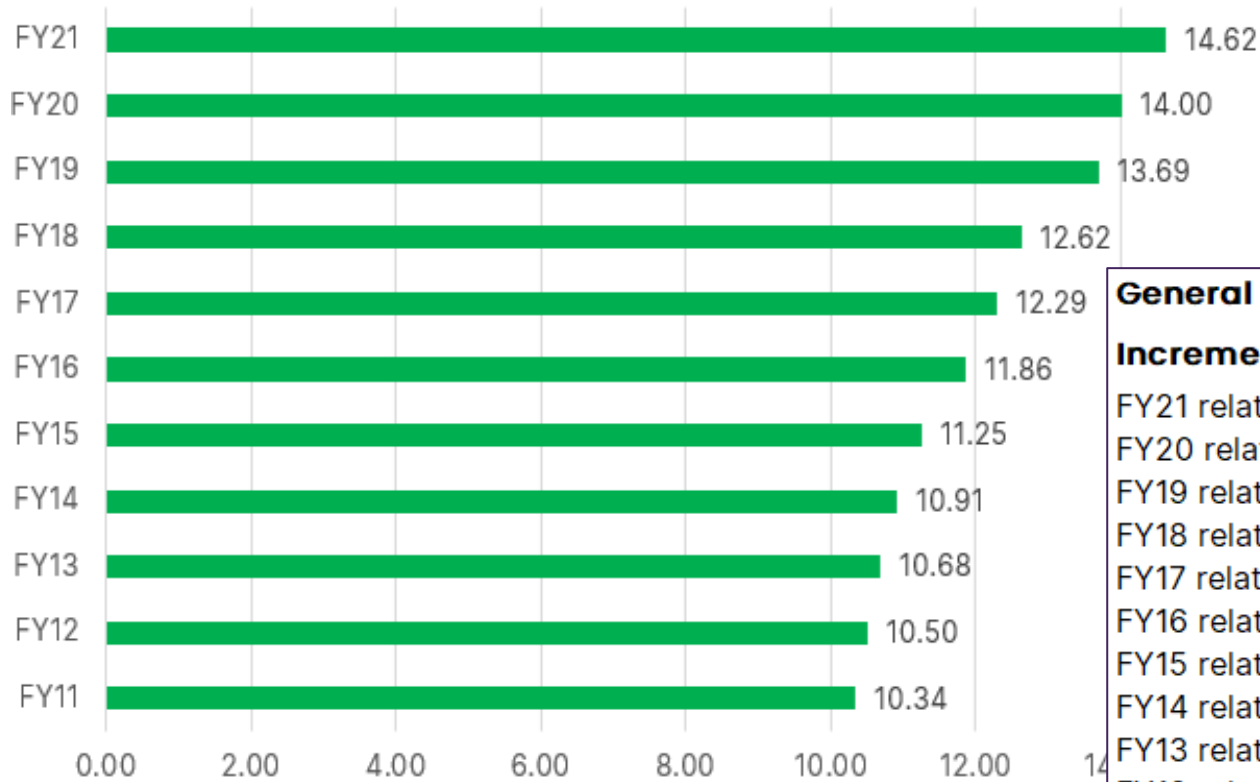
<sup>5</sup>Sr. And Low Income = \$2.24

<sup>6</sup>Public safety fees include two different public safety fees for staff positions



# Property tax trends

General Fund Property Taxes - \$ Millions



General Fund Property Tax:		
Incremental Change		
FY21 relative prior year	456,072	3.26%
FY20 relative prior year	306,900	2.24%
FY19 relative prior year	1,073,561	8.50%
FY18 relative prior year	334,259	2.72%
FY17 relative prior year	429,663	3.62%
FY16 relative prior year	608,322	5.41%
FY15 relative prior year	335,375	3.07%
FY14 relative prior year	230,547	2.16%
FY13 relative prior year	181,409	1.73%
FY12 relative prior year	163,321	1.58%

FY19 is Comcast settlement year (9 years in dispute)

# Guidance on Wastewater

What approach does Council prefer:

- Maintain a 0% wastewater rate increase for FY2022-23 and consider lower fund balance/higher rate increases in future years as part of FY2023-24 fiscal planning
- Increase wastewater rates by the same amount of the franchise fee rate increase, thus keeping long range financial projections on same trajectory
- Phase in wastewater rate increase by half on 7/1/2022 and the other half on either 1/1/2023 or 7/1/2023



**City of McMinnville**  
**Community Development Center**  
231 NE Fifth Street  
McMinnville, OR 97128  
(503) 434-7312  
[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

# STAFF REPORT

**DATE:** April 18, 2022  
**TO:** Jeff Towery, City Manager  
**FROM:** Jeff Gooden, Project Manager  
**SUBJECT:** Bid Award – FY22/23 Biosolids Application Project

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## Report in Brief:

This action is the consideration of a resolution to award a contract in the amount of \$ 1,075,500.00 for a five-year term to Denali Water Solutions, formally Tribeca Transport, LLC for the Biosolids Application Project, Project 2022-4.

## Background:

Biosolids are a by-product of the wastewater treatment process and contain nutrients and organic matter that improve agricultural productivity. The biosolids produced at the McMinnville Water Reclamation Facility (WRF) are classified as “exceptional quality” or Class A, requiring no special permitting or regulation by the Department of Environmental Quality (DEQ) for application. Wastewater Services utilizes private contractors to transport and apply these liquid biosolids to agricultural land in the local area. The City’s current Biosolids Application Contract with Tribeca Transport, LLC will expire on June 30, 2022.

## Discussion:

At 2:00 pm on April 7<sup>th</sup>, 2022, one bid was received, opened, and publicly read for the Biosolids Application Project, Project 2022-4. The results are tabulated as follows:

<b>Bidder</b>	<b>Total Bid Amount</b>
Tribeca Transport, LLC who was acquired by Denali Water Solutions	\$1,075,500.00

The bid was evaluated for completeness and compliance with the bidding requirements. The bid met the requirements. A detailed breakdown of the bid received is on file at the Engineering Department.

The total bid amount is based on historical quantities of 4.5 million gallons to be applied annually. The bid documents required pricing for two hauling distances: up to 10 miles (approximately 80% of estimated quantity); and between 10 -25 miles (approximately 20% of estimated quantity). The actual amount of biosolids to be hauled and applied annually may vary.

Tribeca Transport, LLC, acquired by Denali Water Solutions bid prices were as follows:  
\$0.0450 per gallon for fields 0-10 miles from the WRF; and  
\$0.0590 per gallon for fields >10-25 miles from the WRF.

For comparison, Tribeca's current contract pricing is as follows:  
\$0.0400 per gallon for fields 0-10 miles from the WRF; and  
\$0.0542 per gallon for fields >10-25 miles from the WRF.

This results in an estimated annual cost increase for FY 22/23 of \$22,320 or 11.6%.

Tribeca Transport has been the contractor for the Biosolids Application Project for several years and have provided exemplary performance of the contract to date.

At the time of Bid Opening on April 7<sup>th</sup>, 2022, Tribeca Transportation, LLC submitted a bid for project 2022-4. On April 14<sup>th</sup>, 2022, Tribeca Transportation, LLC was acquired by Denali Water Solutions and the City was Notified of this acquisition on April 18<sup>th</sup>, 2022. The Assignment Letter is included in the attachments.

**Attachments:**

1. Resolution No. 2022-32
  - a. Exhibit 1 – Goods and Services Contract with Denali Water Solutions
2. Bid Tabs
3. Assignment Letter - Notification of Acquisition of Tribeca Transportation, LLC.

**Fiscal Impact:**

The funds for this project is included in the proposed FY22/23 Wastewater Services fund (75) budget. The contract work will commence in July 1, 2022 and will end on June 30, 2027.

This five-year term contract can be extended up to two times, one year per renewal, upon mutual agreement from both the City and Tribeca Transport, LLC.

**Recommendation:**

Staff recommends that the City Council award the contract for the Biosolids Application Project, Project 2022-4, to Denali Water Solutions, formally Tribeca Transport, LLC at the unit prices per gallon outlined in the Contractor's Proposal, with a total estimated annual cost of \$ 215,100.00



**RESOLUTION NO. 2022 - 32**

A Resolution Awarding the Contract for the Biosolids Application Project, Project 2022-4.

**RECITALS:**

**Whereas**, at 2:00pm on April 7<sup>th</sup>, 2022, one bid for the Biosolids Application Project, Project 2022-4, were publicly opened and read aloud; and

**Whereas**, the low bidder, Denali Water Solutions, formally Tribeca Transport, LLC, met all of the bid requirements, and should be considered the lowest responsible bidder; and

**Whereas**, the funds for this project is included in the proposed FY22/23 Wastewater Services fund (75) budget.

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

1. Tribeca Transport, LLC was acquired by Denali Water Solutions effective April 14<sup>th</sup>, 2022. The City was notified of the acquisition on April 18<sup>th</sup>, 2022.
2. That entry into a Goods and Services Contract with Denali Water Solutions in the amount of \$ 1,075,500.00 for a five-year term or \$215,100.00 per year for the Biosolids Application Project, Project 2022-4, is hereby approved.
3. That the City Manager is hereby authorized and directed to execute the Goods and Services Contract with Denali Water Solutions is attached hereto as **Exhibit 1**.
4. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of May 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 24th day of May 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
Interim City Attorney

\_\_\_\_\_  
City Recorder

Exhibit 1:

- Goods and Services Contract with Denali Water Solutions.

**CITY OF McMinnville  
GOODS AND SERVICES CONTRACT**

This Goods and Services Contract (“Contract”) for the Biosolids Application Project (Project No. 2022-4) Project (“Project”) is made and entered into on this \_\_\_\_ day of \_\_\_\_\_ 2022 (“Effective Date”) by and between the **City of McMinnville**, a municipal corporation of the State of Oregon (hereinafter referred to as the “City”), and **Denali Water Solutions LLC**, a Delaware limited liability corporation (hereinafter referred to as “Contractor”).

**RECITALS**

WHEREAS, the City requires services which Contractor is capable of providing, under terms and conditions hereinafter described; and

WHEREAS, Contractor represents that Contractor is qualified to perform the services described herein on the basis of specialized experience and technical expertise; and

WHEREAS, Contractor is prepared to provide such services, as the City does hereinafter require.

NOW, THEREFORE, in consideration of these mutual promises and the terms and conditions set forth herein, the parties agree as follows:

**AGREEMENT**

**Section 1. Scope of Work**

Contractor will perform the biosolid services, as more particularly described in the Scope of Work for the Project, attached hereto as **Exhibit A** and incorporated by reference herein (the “Work”).

**Section 2. Term**

The term of this Contract shall be from the Effective Date until all Work required to be performed hereunder is completed and accepted, or no later than five years from the Effective Date, whichever occurs first, unless earlier terminated in accordance herewith or an extension of time is agreed to, in writing, by the City. Contractor shall diligently perform the Work according to the requirements identified in the Project bid documents dated March 2, 2022 and Contractor’s Bid submitted in response thereto.

**Section 3. Contract Sum/Project Scope**

3.1. Except as otherwise set forth in this **Section 3**, the City agrees to pay Contractor a not-to-exceed amount of ONE MILLION SEVENTY-FIVE THOUSAND FIVE HUNDRED DOLLARS (\$1,075,500.00) for performance of the Work (“Contract Sum”). Except as provided

in **Subsection 3.2** herein, any compensation in excess of the Contract Sum will require an express written Change Order between the City and Contractor.

3.2. Contractor's pricing is set forth in **Exhibit B**, attached hereto and incorporated by reference herein. Contractor may set the price of diesel to be \$4.00/gallon. Any fuel costs above or below will be charged or credited to your weekly invoice. Fuel cost will be adjusted on a weekly basis as per the US Energy and Information Administration website: <https://eia.gov/petroleum/gasdiesel/>. For the price of diesel we will be using the US Energy and Information Administration, U.S. On-Highway Diesel Fuel Prices West Coast less California.

3.3. Contractor's Contract Sum is all inclusive and includes, but is not limited to, all work-related costs, expenses, salaries or wages, plus fringe benefits and contributions, including payroll taxes, workers compensation insurance, liability insurance, profit, pension benefits, and all other contributions and benefits, office expenses, travel expenses, mileage, and all other indirect and overhead charges.

3.4. Contractor will be paid for Work upon completion of the Work and within thirty (30) days of receipt of an itemized invoice, unless the City disputes such invoice. In that instance, the undisputed portion of the invoice will be paid by the City within the above timeframe. The City will set forth its reasons for the disputed claim amount and make good faith efforts to resolve the invoice dispute with Contractor as promptly as is reasonably possible.

#### **Section 4. City's Rights and Responsibilities**

4.1. The City will designate a Project Manager to facilitate day-to-day communication between Contractor and the City, including timely receipt and processing of invoices, requests for information, and general coordination of City staff to support the Project.

4.2. Award of this Contract is subject to budget appropriation. Funds are approved for Fiscal Year 2021-22. If not completed within this fiscal year, funds may not be appropriated for the next fiscal year. The City also reserves the right to terminate this Contract early, as described in **Section 13**.

#### **Section 5. Project Managers**

The City's Project Manager is Jeff Gooden. Contractor's Project Manager is Eric Thwaites.

#### **Section 6. Subcontractors and Assignments**

Unless expressly authorized in writing by the City, pursuant to **Subsection 14**, Contractor shall not subcontract with others for any of the Work prescribed herein. Contractor shall not assign any of Contractor's rights acquired hereunder without obtaining prior written approval from the City. Some Work may be performed by persons other than Contractor, provided Contractor advises the City of the names of such subcontractors and the services which they intend to provide, and the City specifically agrees, in writing, to such subcontracting. Contractor acknowledges such services will be provided to the City pursuant to a subcontract(s) between

Contractor and subcontractor(s) and no privity of contract exists between the City and the subcontractor(s). Unless otherwise specifically provided by this Contract, the City incurs no liability to third persons for payment of any compensation provided herein to Contractor. Any attempted assignment of this Contract without the written consent of the City shall be void. Except as otherwise specifically agreed, all costs for services performed by others on behalf of Contractor shall not be subject to additional reimbursement by the City.

### **Section 7. Contractor Is Independent Contractor**

Except as otherwise mandated by state law, the performance of Work under this Contract is at Contractor's sole risk. All damages or loss to Work, equipment, or materials incurred during the performance of the Work shall be at Contractor's sole risk. Contractor is an independent contractor for all purposes and shall be entitled to no compensation other than the Contract Sum provided for under **Section 3** of this Contract. Contractor will be solely responsible for determining the manner and means of accomplishing the end result of Contractor's Work. The City does not have the right to control or interfere with the manner or method of accomplishing said Work. The City, however, will have the right to specify and control the results of Contractor's Work so such Work meets the requirements of the Project.

### **Section 8. Contractor's Responsibilities**

8.1. Contractor must comply with all applicable Oregon and federal wage and hour laws. Contractor shall make all required workers compensation and medical care payments on time. Contractor shall be fully responsible for payment of all employee withholdings required by law, including but not limited to taxes, including payroll, income, Social Security (FICA), and Medicaid. Contractor shall also be fully responsible for payment of salaries, benefits, taxes, Industrial Accident Fund contributions, and all other charges on account of any employees. Contractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

8.2. No person shall be discriminated against by Contractor or any subcontractor in the performance of this Contract on the basis of sex, gender, race, color, creed, religion, marital status, age, disability, sexual orientation, gender identity, or national origin. Any violation of this provision shall be grounds for cancellation, termination, or suspension of the Contract, in whole or in part, by the City. Contractor shall comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the Contract or to the implementation of the Project. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following laws, regulations, and executive orders to the extent they are applicable to the Contract or the implementation of the Project: (a) all applicable requirements of state civil rights and rehabilitation statutes, rules, and regulations; (b) Titles VI and VII of the Civil Rights Act of 1964, as amended; (c) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (d) the Americans with Disabilities Act of 1990, as amended, and ORS 659A.142; (e) Executive Order 11246, as amended; (f) the Health Insurance Portability and Accountability Act of 1996; (g) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (h) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (i) all regulations and administrative rules

established pursuant to the foregoing laws; and (j) all other applicable requirements of federal civil rights and rehabilitation statutes, rules, and regulations.

8.3. Contractor shall make payment promptly, as due, to all parties supplying to such Contractor labor or material for the prosecution of the Work provided for in the Contract.

8.4. Contractor shall make payment promptly, as due, to any party furnishing medical, surgical, hospital, or other needed care and attention, incident to sickness or injury, to the employees of Contractor, of all sums which Contractor agreed to pay or collected or deducted from the wages of employees pursuant to any law, contract, or agreement for the purpose of providing payment for such service.

8.5. With certain exceptions listed below, Contractor shall not require or permit any person to work more than ten (10) hours in any one (1) day, or forty (40) hours in any one (1) week, except in case of necessity, emergency, or where public policy requires it, and in such cases the person shall be paid at least time and a half for:

8.5.1. All overtime in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week when the work week is five (5) consecutive days, Monday through Friday; or

8.5.2. All overtime in excess of ten (10) hours in any one (1) day or forty (40) hours in any one (1) week when the work week is four (4) consecutive days, Monday through Friday; and

8.5.3. All work performed on the days specified in ORS 279B.020(1)(b) for public contracts.

8.6. Contractor must give notice to employees who work on a public contract, in writing, either at the time of hire or before commencement of Work on the Contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

8.7. The hourly rate of wage to be paid by any Contractor to employed workers or other persons doing or contracting to do all or part of the work contemplated by a public contract shall be not less than the applicable wage required by law.

8.8. Contractor, and all employers working under the Contract, are subject employers under the Oregon Workers Compensation Law and shall comply with ORS 656.017 unless otherwise exempt under ORS 656.126.

8.9. In the performance of this Contract, Contractor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to those dealing with the prevention of environmental pollution and the preservation of natural resources (and avoidance of natural resource damages) in the performance of the Contract, including but not limited to ORS 279C.525. If new or amended statutes, ordinances, or regulations are adopted, or

Contractor encounters a condition not referred to in this Contract, not caused by Contractor, and that was not discoverable by reasonable site inspection, which requires compliance with federal, state, or local laws or regulations dealing with the preservation of the environment, both the City and Contractor shall have all the rights and obligations set forth in ORS 279C.525.

8.10. Contractor shall be liable for any fine imposed against Contractor, the City or the 'Project' as a result of a violation of any laws or permitting requirements by Contractor or any suppliers.

## **Section 9. Indemnity**

9.1. Indemnification. Contractor acknowledges responsibility for liability arising out of the performance of this Contract, and shall defend, indemnify, and hold the City harmless from any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting or allegedly resulting from Contractor's negligent acts, omissions, errors, or willful or reckless misconduct pursuant to this Contract, or from Contractor's failure to perform its responsibilities as set forth in this Contract. The review, approval, or acceptance by the City, its Project Manager, or any City employee of documents or other work performed, prepared, or submitted by Contractor shall not be considered a negligent act, error, omission, or willful misconduct on the part of the City, and none of the foregoing shall relieve Contractor of its responsibility to perform in full conformity with the City's requirements, as set forth in this Contract, and to indemnify the City as provided above and to reimburse the City for any and all costs and damages suffered by the City as a result of Contractor's negligent performance of this Contract, failure of performance hereunder, violation of state or federal laws, or failure to adhere to the standards of performance and care described in **Subsection 9.2**. Contractor shall defend the City (using legal counsel reasonably acceptable to the City) against any claim that alleges negligent acts, omissions, errors, or willful or reckless misconduct by Contractor. As used herein, the term "Contractor" applies to Contractor and its own agents, employees, and suppliers, and to all of Contractor's subcontractors, including their agents, employees, and suppliers.

9.2. Standard of Care. In the performance of the Work, Contractor agrees to use at least that degree of care and skill exercised under similar circumstances by reputable members of Contractor's profession practicing in the Portland metropolitan area. Contractor will re-perform any Work not meeting this standard without additional compensation. Contractor's re-performance of any Work, even if done at the City's request, shall not be considered as a limitation or waiver by the City of any other remedies or claims it may have arising out of Contractor's failure to perform in accordance with the applicable standard of care of this Contract and within the prescribed timeframe.

## **Section 10. Insurance**

10.1. Insurance Requirements. Contractor must maintain insurance coverage acceptable to the City in full force and effect throughout the term of this Contract. Such insurance shall cover all risks arising directly or indirectly out of Contractor's activities or work hereunder. Any and all agents or subcontractors with which Contractor contracts for any portion of the Work must have insurance that conforms to the insurance requirements in this Contract. Additionally,

if a subcontractor is an engineer, architect, or other professional, Contractor must require the subcontractor to carry Professional Errors and Omissions insurance and must provide to the City proof of such coverage. The amount of insurance carried is in no way a limitation on Contractor's liability hereunder. The policy or policies maintained by Contractor shall provide at least the following minimum limits and coverages at all times during performance of this Contract:

10.1.1. Commercial General Liability Insurance. Contractor and all subcontractors shall obtain, at each of their own expense, and keep in effect during the term of this Contract, comprehensive Commercial General Liability Insurance covering Bodily Injury and Property Damage, written on an "occurrence" form policy. This coverage shall include broad form Contractual Liability insurance for the indemnities provided under this Contract and shall be for the following minimum insurance coverage amounts: The coverage shall be in the amount of **\$2,000,000** for each occurrence and **\$3,000,000** general aggregate and shall include Products-Completed Operations Aggregate in the minimum amount of **\$2,000,000** per occurrence, Fire Damage (any one fire) in the minimum amount of **\$50,000**, and Medical Expense (any one person) in the minimum amount of **\$10,000**. All of the foregoing coverages must be carried and maintained at all times during this Contract.

10.1.2. Business Automobile Liability Insurance. If Contractor or any subcontractors will be using a motor vehicle in the performance of the Work herein, Contractor shall provide the City a certificate indicating that Contractor and its subcontractors have business automobile liability coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than **\$2,000,000**.

10.1.3. Workers Compensation Insurance. Contractor, its subcontractors, and all employers providing work, labor, or materials under this Contract that are subject employers under the Oregon Workers Compensation Law shall comply with ORS 656.017, which requires them to provide workers compensation coverage that satisfies Oregon law for all their subject workers under ORS 656.126. Out-of-state employers must provide Oregon workers compensation coverage for their workers who work at a single location within Oregon for more than thirty (30) days in a calendar year. Contractors who perform work without the assistance or labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than **\$500,000** each accident.

10.1.4. Insurance Carrier Rating. Coverages provided by Contractor and its subcontractors must be underwritten by an insurance company deemed acceptable by the City, with an AM Best Rating of A or better. The City reserves the right to reject all or any insurance carrier(s) with a financial rating that is unacceptable to the City.

10.1.5. Additional Insured and Termination Endorsements. The City will be named as an additional insured with respect to Contractor's liabilities hereunder in insurance coverages. Additional Insured coverage under Contractor's Commercial General Liability, Automobile Liability, and Excess Liability Policies, as applicable, will

be provided by endorsement. Additional insured coverage shall be for both ongoing operations via ISO Form CG 2010 or its equivalent, and products and completed operations via ISO Form CG 2037 or its equivalent. Coverage shall be Primary and Non-Contributory. Waiver of Subrogation endorsement via ISO Form CG 2404 or its equivalent shall be provided. The following is included as additional insured: “The City of McMinnville, its elected and appointed officials, officers, agents, employees, and volunteers.” An endorsement shall also be provided requiring the insurance carrier to give the City at least thirty (30) days’ written notification of any termination or major modification of the insurance policies required hereunder. Contractor must be an additional insured on the insurance policies obtained by its subcontractors performing any of the Work contemplated under this Contract.

10.1.6. Certificates of Insurance. As evidence of the insurance coverage required by this Contract, Contractor shall furnish a Certificate of Insurance to the City. This Contract shall not be effective until the required certificates and the Additional Insured Endorsements have been received and approved by the City. Contractor agrees that it will not terminate or change its coverage during the term of this Contract without giving the City at least thirty (30) days’ prior advance notice and Contractor will obtain an endorsement from its insurance carrier, in favor of the City, requiring the carrier to notify the City of any termination or change in insurance coverage, as provided above.

10.2. Primary Coverage. The coverage provided by these policies shall be primary, and any other insurance carried by the City is excess. Contractor shall be responsible for any deductible amounts payable under all policies of insurance. If insurance policies are “Claims Made” policies, Contractor will be required to maintain such policies in full force and effect throughout any warranty period.

## **Section 11. Warranty**

11.1. Contractor warrants to the City that any materials and equipment furnished under this Contract will be new and of good quality, unless otherwise required or permitted by this Contract, that the Services will be free from defects, and that the Services will conform to the requirements of this Contract. Services not conforming to these requirements, including substitutions not properly approved and authorized in writing by the City, may be considered defective.

## **Section 12. Suspension**

The City may suspend, delay, or interrupt all or any part of the Services for such time as the City deems appropriate for its own convenience by giving written notice thereof to Contractor. An adjustment in the time of performance or method of compensation shall be negotiated as a result of such delay or suspension, unless the reason for the delay was within Contractor’s control. The City shall not be responsible for Services performed by any subcontractors after notice of suspension is given by the City to Contractor.



## **Section 13. Early Termination; Default**

13.1. This Contract may be terminated prior to the expiration of the agreed upon terms:

13.1.1. By mutual written consent of the parties;

13.1.2. By the City, for any reason, and within its sole discretion, effective upon delivery of written notice to Contractor by mail or in person; or

13.1.3. By Contractor, effective upon seven (7) days' prior written notice, in the event of substantial failure by the City to perform in accordance with the terms through no fault of Contractor, where such default is not cured within the seven (7) day period by the City. Withholding of disputed payment is not a default by the City.

13.2. If the City terminates this Contract in whole or in part, due to default or failure of Contractor to perform Work in accordance with the Contract, the City may procure, upon reasonable terms and in a reasonable manner, services similar to those so terminated. In addition to any other remedies the City may have, both at law and in equity, for breach of contract, Contractor shall be liable for all costs and damages incurred by the City as a result of the default by Contractor, including, but not limited to all costs incurred by the City in procuring services from others as needed to complete this Contract. This Contract shall be in full force to the extent not terminated by written notice from the City to Contractor. In the event of a default, the City will provide Contractor with written notice of the default and a period of three (3) days to cure the default. If Contractor notifies the City that it cannot, in good faith, do so within the three (3) day cure period provided, then the City may elect, in its sole discretion, to extend the cure period to an agreed upon time period, or the City may elect to terminate this Contract and seek remedies for the default, as provided above.

13.3. If the City terminates this Contract for its own convenience not due to any default by Contractor, payment of Contractor shall be prorated to, and include the day of, termination and shall be in full satisfaction of all claims by Contractor against the City under this Contract.

13.4. Termination under any provision of this **Section 13** shall not affect any right, obligation, or liability of Contractor or the City that accrued prior to such termination. Contractor shall surrender to the City items of work or portions thereof, for which Contractor has received payment or the City has made payment.

## **Section 14. Contract Modification; Change Orders**

Any modification of the provisions of this Contract shall not be enforceable or binding unless reduced to writing and signed by both the City and Contractor.

## **Section 15. Notices**

Any notice required or permitted under this Contract shall be in writing and shall be given when actually delivered in person or forty-eight (48) hours after having been deposited in the United

States mail as certified or registered mail, addressed to the addresses set forth below, or to such other address as one party may indicate by written notice to the other party.

To City: City of McMinnville  
Attn: Jeff Gooden, Engineering Technician  
230 NE Second Street  
McMinnville, OR 97128

To Contractor: Denali Water Solutions LLC  
Attn: Eric Thwaites  
1415 Port Way  
Woodland, WA 98674

## **Section 16. Miscellaneous Provisions**

16.1. Integration. This Contract, including all exhibits attached hereto, contains the entire and integrated agreement between the parties and supersedes all prior written or oral discussions, representations, or agreements. In case of conflict among these documents, the provisions of this Contract shall control.

16.2. Legal Effect and Assignment. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Contract may be enforced by an action at law or in equity.

16.3. No Assignment. Contractor may not assign this Contract, nor delegate the performance of any obligations hereunder, unless agreed to in advance and in writing by the City.

16.4. Adherence to Law. This Contract shall be subject to, and Contractor shall adhere to, all applicable federal, state, and local laws (including the McMinnville Code and Public Works Standards), including but not limited to laws, rules, regulations, and policies concerning employer and employee relationships, workers compensation, and minimum and prevailing wage requirements. Any certificates, licenses, or permits that Contractor is required by law to obtain or maintain in order to perform the Work described in this Contract shall be obtained and maintained throughout the term of this Contract.

16.5. Governing Law. This Contract shall be construed in accordance with and governed by the laws of the State of Oregon, regardless of any conflicts of laws. All contractual provisions required by ORS Chapters 279A, 279B, 279C, and related Oregon Administrative Rules to be included in public agreements are hereby incorporated by reference and shall become a part of this Contract as if fully set forth herein.

16.6. Jurisdiction. Venue for any dispute will be in Yamhill County Circuit Court.

16.7. Legal Action/Attorney Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Contract or to interpret or enforce any rights

or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or body at trial or on any appeal or review, in addition to all other amounts provided by law. If the City is required to seek legal assistance to enforce any term of this Contract, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review.

16.8. Nonwaiver. Failure by either party at any time to require performance by the other party of any of the provisions of this Contract shall in no way affect the party's rights hereunder to enforce the same, nor shall any waiver by the party of the breach hereof be held to be a waiver of any succeeding breach or a waiver of this nonwaiver clause.

16.9. Severability. If any provision of this Contract is found to be void or unenforceable to any extent, it is the intent of the parties that the rest of the Contract shall remain in full force and effect, to the greatest extent allowed by law.

16.10. Modification. This Contract may not be modified except by written instrument executed by Contractor and the City.

16.11. Time of the Essence. Time is expressly made of the essence in the performance of this Contract.

16.12. Calculation of Time. Except where the reference is to business days, all periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday, or legal holiday observed by the City, the period shall be extended to include the next day which is not a Saturday, Sunday, or legal holiday. Where the reference is to business days, periods of time referred to herein shall exclude Saturdays, Sundays, and legal holidays observed by the City. Whenever a time period is set forth in days in this Contract, the first day from which the designated period of time begins to run shall not be included.

16.13. Headings. Any titles of the sections of this Contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

16.14. Number, Gender and Captions. In construing this Contract, it is understood that, if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that, generally, all grammatical changes shall be made, assumed, and implied to individuals and/or corporations and partnerships. All captions and paragraph headings used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Contract.

16.15. Good Faith and Reasonableness. The parties intend that the obligations of good faith and fair dealing apply to this Contract generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Contract. The obligation to be reasonable shall only be negated if arbitrariness is clearly and explicitly permitted

as to the specific item in question, such as in the case of where this Contract gives the City “sole discretion” or the City is allowed to make a decision in its “sole judgment.”

16.16. Other Necessary Acts. Each party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Contract in order to provide and secure to the other parties the full and complete enjoyment of rights and privileges hereunder.

16.17. Interpretation. As a further condition of this Contract, the City and Contractor acknowledge that this Contract shall be deemed and construed to have been prepared mutually by each party and it shall be expressly agreed that any uncertainty or ambiguity existing therein shall not be construed against any party. In the event that any party shall take an action, whether judicial or otherwise, to enforce or interpret any of the terms of the contract, the prevailing party shall be entitled to recover from the other party all expenses which it may reasonably incur in taking such action, including attorney fees and costs, whether incurred in a court of law or otherwise.

16.18. Entire Agreement. This Contract, all documents attached to this Contract, and all Contract Documents and laws and regulations incorporated by reference herein represent the entire agreement between the parties.

16.19. Counterparts. This Contract may be executed in one or more counterparts, each of which shall constitute an original Contract but all of which together shall constitute one and the same instrument.

16.20. Authority. Each party signing on behalf of Contractor and the City hereby warrants actual authority to bind their respective party.

[Remainder of Page Intentionally Left Blank]

The Contractor and the City hereby agree to all provisions of this Contract.

**CONTRACTOR:**

**CITY:**

DENALI WATER SOLUTIONS LLC

CITY OF McMINNVILLE

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

As Its: \_\_\_\_\_

As Its: \_\_\_\_\_

Employer I.D. No. \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Amanda Guile-Hinman, City Attorney  
City of McMinnville, Oregon

## **EXHIBIT A**

### **SCOPE OF WORK**

Contractor will provide to the City the following services:

A. General Conditions.

1. The Contractor will haul all biosolids per bid Schedule to City selected and approved sites. The City's Contract Administrator will supply the applicable field locations and the authorized truck travel routes to and from site locations.
2. The City's Contract Administrator will have the authority to halt application due to farming needs, weather, spillage, mechanical or operational problems at the WRF.
3. Prior to signing the Contract, the successful bidder will provide evidence of compliance with past biosolids application contracts. Failure to provide this evidence of compliance may disqualify the bidder for award of this contract.
4. The OAR 340 Division 50 rules and the Environmental Protection Agency's 40 CFR Part 503 regulations regulate the City's biosolids program. All biosolids to be hauled and applied are class "A" biosolids.
5. Due to storage tank limitations, crop requirements, and weather implications, the contract schedule compliance is critical. The Contractor will be on site and working within five (5) calendar days after the "Notice to Proceed" is issued by the City's Contract Administrator.
6. A Project Manager for the Contractor will be designated and be responsible for application and hauling coordination.
7. The Contractor will submit the Contractor's Equipment Questionnaire describing capacities and specifications used to perform the work with the Bid.

B. Biosolids Characteristics and Volume

1. Biosolids are in liquid form and stored in a 2.83 million gallon enclosed storage tank.

Concentrations of solids will vary within the storage tank (2011-2012) concentrations ranged from approximately 0.5% to 15%).

2. Biosolids have been produced with the Autothermal Thermophilic Aerobic Digestion (ATAD) process.
3. Estimated quantity of biosolids to be applied is four million five hundred thousand (4,500,000) gallons per year. Total quantity may be more or less depending on actual biosolids production.

C. Biosolids Hauling and Application.

1. Project completion will include pumping all biosolids from the storage tank to the satisfaction of the City.
2. City pumping and loading equipment will be available for use with no guarantee for performance.
3. Quantity of biosolids hauled will be reported daily to the City's Contract Administrator. Records will include truck identification, driver name and signature, time and date of haul, application area, and hauled volume for each load. Haul volumes and resultant pay quantities will be based on the City's calibrated biosolids flowmeter at the facility. After a field is completed a final report with the total gallons applied to the field and the application area (forms will be supplied by the City) will be delivered to the City's Contract Administrator.
4. The Contractor may, at their expense, supply and add food grade defoamer to the haul truck when necessary to achieve a full legal load. Product specifications for the proposed defoamer additive shall be reviewed and approved by the City's Project Manager prior to use.
5. Contractor will provide experienced, competent drivers capable of applying biosolids to agricultural land at agronomic rates. Drivers must hold the necessary current CDL license, and comply with applicable Oregon Department of Transportation drug and alcohol testing requirements.

6. Contractor is responsible to ensure that trucks are not overloaded and would pay any and all fines or penalties resulting from an overweight load.
7. Application rates will vary with biosolids characteristics and will be determined by the City's Contract Administrator.
8. Contractor will have the ability to transport and apply a minimum of 1,500,000 gallons of biosolids within 15 days (~100,000 gallons/day).
9. Contractor will use leak-proof tank trucks suitable for hauling liquid biosolids on public roadways to avoid spillage. Use of any equipment that allows leakage or damage to streets is prohibited. All costs associated with cleanup of spillage or damage will be the responsibility of the Contractor.
10. The Contractor will use either pressurized tanks or tanks with pumping capability to ensure the even application of the biosolids. The Contractor will provide proof of adequate hauling and application equipment at the time of the Bid submittal.
11. Contractor will have all State and Federal Department of Transportation (DOT) permits and/or authority required to haul biosolids by the State Public Utilities Commission and Federal Motor Carrier regulations.
12. The contractor will pay repair of damage to field entry and exit point.
13. Cost will cover hauling to sites within the distances outlined in the Contractor's Bid from the WRF biosolids storage tank to the application site. Billing for hauling will clearly state which distance price category is in effect and the cost per gallon for each hauling event.
14. The distance categories outlined in the Contractor's Bid represent the driving distances measured one-way to the application site from the WRF. The City's Contract Administrator and the Contractor will agree in advance as to the travel routes (considering various factors).
15. Due to budget constraints, field availability, weather conditions, stored biosolids volume, or other factors, hauling and application may occur during several distinct periods (spring, summer, and fall for example). Each period of application will begin with a separate "Notice to Proceed".



**EXHIBIT B**  
**CONTRACTOR'S PRICING**

Bid Item	Description	Estimated Gallons to be Hauled	Unit Price	Total Cost
10	<b>Category 1:</b> Fields 0-10 miles from WRF	*3.6 Million Gallons	\$ <u>.045</u>	\$ <u>162,000</u> <sup>00</sup>
20	<b>Category 2:</b> Fields 10-25 miles from WRF	*0.9 Million Gallons	\$ <u>.059</u>	\$ <u>53,100</u> <sup>00</sup>
** Total Yearly Bid				\$ <u>215,100</u> <sup>00</sup>
Total 5 Year Bid				\$ <u>1,075,500</u> <sup>00</sup>

\*Based on an 80%/20% portion of the total estimated gallons (4.5 million).  
\*\*Total Estimated Bid Cost is the sum of the totals from each category

**BID TABS**

				Tribeca Transport LLC	
Item	Description	Unit	Estimated Quantity	Unit Price	Total Cost
<b>Hauling and Truck Spread Application of Biosolids</b>					
1	CATEGORY 1: Fields 0-10 miles from WRF	GALLONS	3,600,000.00	\$0.0450	\$162,000.00
2	CATEGORY 2: Fields 10-25 miles from WRF	GALLONS	900,000.00	\$0.0590	\$53,100.00

**TOTAL Yearly Bid** **\$215,100.00**

**TOTAL Five Year Bid** **\$1,075,500.00**

Tribeca Transport LLC

Bid Complete & Signed?	x
Addendum Acknowledged?	x
Bid Bond & Power of Attorney?	x



TRIBECA TRANSPORT LLC

April 18, 2022

**Re: Notification of Acquisition of Tribeca Transportation, LLC.**

To our Valued Customers:

Effective April 14, 2022, the assets of Tribeca Transportation, LLC ("Tribeca Transportation") have been acquired by Denali Water Solutions LLC ("Denali"). Denali is one of the largest residual waste management businesses in the country serving the North American marketplace. We are excited to bring our two companies together and believe the combination will add value to our employees and customers.

To effectuate the transaction, the assets of Tribeca Transportation, including Working Capital (accounts receivable and payables), have been sold into Denali Water Solutions, LLC. As a result of the restructure, we are requesting the approval to assign its current contract to Denali Water Solutions, LLC. under the terms of our existing agreement. Please consider this letter our formal notice advising you of this change.

We want to emphasize that this entity change will have no effect on our team, our service, or our operations that we currently provide to you. Please note, we will now be marketing our services to you under the name of Denali Water Solutions, LLC.

For your records, enclosed is a copy of the W-9 Form with our new Taxpayer ID number - Federal Identification Number 26-1757145.

Also, please note our existing certificates of insurance remain in place. Please note that Denali will carry coverage for the term of our Agreement.

We appreciate your cooperation in this change. Please let us know what the process is for assigning the agreement to Denali Water Solutions, LLC. Should you have any questions, please feel free to call me at 530.635.0083.

Thank you

Very truly yours,

*Dave Vaughn*

Dave Vaughn  
Executive Vice President – West Region

Very truly yours,

*Eric Thwaites*

Eric Thwaites  
General Manager

Encs: W-9 Taxpayer Identification Number Certification



**City of McMinnville**  
**Community Development Center**  
231 NE Fifth Street  
McMinnville, OR 97128  
(503) 434-7312  
[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

# STAFF REPORT

**DATE:** April 18, 2022  
**TO:** Jeff Towery, City Manager  
**FROM:** Jeff Gooden, Project Manager  
**SUBJECT:** Bid Award – FY22/23 HVAC Preventive Maintenance Services Project 2022-3

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## **Report in Brief:**

This action is the consideration of a resolution to award a contract in the amount of \$303,465.00 for a five-year term to Long Building Technologies Inc. for the HVAC Preventive Maintenance Services, Project 2022-3.

## **Background:**

This Goods and Services Contract is for the Maintenance of the City's Facilities HVAC systems located at; Public Library, Chamber of Commerce, City Hall, Community Development Center, Community Center, Senior Center, Oregon State Police Building, Airport FBO Building & Airport Maintenance Hangers, Public Works Shops Complex, and Civic Hall. The City's current HVAC Preventive Maintenance Services Contract with Reitmeier will expire on June 30, 2022.

## **Discussion:**

At 2:00 pm on April 7<sup>th</sup>, 2022, three bids were received, opened, and publicly read for the HVAC Preventive Maintenance Services, Project 2022-3. The results are tabulated as follows:

<b>Bidder</b>	<b>Total Bid Amount</b>
Long Building Technologies Inc	\$303,465.00
Northwest Control Company Inc	\$472,632.00
MacDonald-Miller	\$494,999.95

The bids were evaluated for completeness and compliance with the bidding requirements. The bids met the requirements. A detailed breakdown of the bids received is on file at the Engineering Department.

The total bid amount is based on the specifications for maintenance at each facility for the five-year term of the contract. The bid tab is attached for reference.

Long Building Technologies Inc bid prices were as follows:

The annual cost of maintenance for all facilities listed above is \$27,443.00 plus the on-call rates estimated at 100 hours per year \$14,500 plus the estimated materials and parts per year of \$18,750, for a total annual cost of \$60,693.00.

For comparison, Reitmeier's current contract pricing is as follows:

The annual cost of maintenance for all facilities listed is \$16,077.00 plus the on-call rates estimated at 100 hours per year \$11,000.00 plus the estimated materials and parts per year of \$17,750, for a total annual cost of \$44,327.00.

This results in an estimated annual cost increase for FY 22/23 of \$16,366.00 or 36.9%.

**Attachments:**

1. Resolution No. 2022-33
  - a. Exhibit 1 – Goods and Services Contract with Long Building Technologies, Inc.
2. Bid Tab
3. Long Building Technologies Bid

**Fiscal Impact:**

The funds for this project is included in the proposed FY22/23 budget. The contract work will commence on July 1, 2022, and will end on June 30, 2027.

This five-year term contract can be extended up to two times for one year each, upon mutual agreement from both the City and Long Building Technologies Inc.

**Recommendation:**

Staff recommends that the City Council award the contract for the HVAC Preventive Maintenance Services, Project 2022-3, to Long Building Technologies Inc. at the bid prices outlined in the Contractor's Proposal, with a total estimated annual cost of \$60,693.00

**RESOLUTION NO. 2022 - 33**

A Resolution Awarding the Contract for the HVAC Preventive Maintenance Services Project, Project 2022-3.

**RECITALS:**

**Whereas**, at 2:00pm on April 7<sup>th</sup>, 2022, three bids for the HVAC Preventive Maintenance Services Project, Project 2022-3, were publicly opened and read aloud; and

**Whereas**, the low bidder, Long Building Technologies Inc, met all of the bid requirements, and should be considered the lowest responsible bidder; and

**Whereas**, the funds for this project is included in the proposed FY22/23 budget.

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

1. That entry into a Goods and Services Contract with Long Building Technologies Inc in the amount of \$ 303,465.00 for a five-year term or \$60,693 per year for the HVAC Preventive Maintenance Services Project, Project 2022-3, is hereby approved.
3. That the City Manager is hereby authorized and directed to execute the Goods and Services Contract with Long Building Technologies Inc is attached hereto as **Exhibit 1**.
4. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of May 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 24th day of May 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
Interim City Attorney

\_\_\_\_\_  
City Recorder

Exhibit 1:

- Goods and Services Contract with Long Building Technologies Inc.

**CITY OF McMinnville**  
**GOODS AND SERVICES CONTRACT**

This Goods and Services Contract (“Contract”) for the City Facility HVAC Preventive Maintenance Services (Project No. 2022-3) Project (“Project”) is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_ 2022 (“Effective Date”) by and between the **City of McMinnville**, a municipal corporation of the State of Oregon (hereinafter referred to as the “City”), and **Long Building Technologies Inc.**, a Colorado corporation (hereinafter referred to as “Contractor”).

**RECITALS**

WHEREAS, the City requires services which Contractor is capable of providing, under terms and conditions hereinafter described; and

WHEREAS, Contractor represents that Contractor is qualified to perform the services described herein on the basis of specialized experience and technical expertise; and

WHEREAS, Contractor is prepared to provide such services, as the City does hereinafter require.

NOW, THEREFORE, in consideration of these mutual promises and the terms and conditions set forth herein, the parties agree as follows:

**AGREEMENT**

**Section 1. Scope of Work**

Contractor will perform the city facility HVAC preventive maintenance services, as more particularly described in the Scope of Work for the Project, attached hereto as **Exhibit A** and incorporated by reference herein (the “Work”).

**Section 2. Term**

The term of this Contract shall be from the Effective Date until all Work required to be performed hereunder is completed and accepted, or no later than five years from the Effective Date, whichever occurs first, unless earlier terminated in accordance herewith or an extension of time is agreed to, in writing, by the City. Contractor shall diligently perform the Work according to the requirements identified in the Project bid documents dated March 9, 2022 and Contractor’s Bid submitted in response thereto.

**Section 3. Contract Sum/Project Scope**

3.1. Except as otherwise set forth in this **Section 3**, the City agrees to pay Contractor a not-to-exceed amount of THREE HUNDRED THREE THOUSAND FOUR HUNDRED SIXTY-FIVE AND NO/00 DOLLARS (\$303,465.00) for performance of the Work (“Contract

Sum”), which may be correspondingly increased in accordance with **Subsection 3.2**. Except as provided in **Subsection 3.2** herein, any compensation in excess of the Contract Sum will require an express written Change Order between the City and Contractor.

3.2. Contractor’s pricing is set forth in **Exhibit B**, attached hereto and incorporated by reference herein. Contractor may increase the pricing list in Exhibit B by no more than five percent (5%) on each yearly anniversary of the Effective Date. Such increase is not effective until received and approved, in writing, by the City Project Manager.

3.3. Contractor’s Contract Sum is all inclusive and includes, but is not limited to, all work-related costs, expenses, salaries or wages, plus fringe benefits and contributions, including payroll taxes, workers compensation insurance, liability insurance, profit, pension benefits, and all other contributions and benefits, office expenses, travel expenses, mileage, and all other indirect and overhead charges.

3.4. Contractor will be paid for Work upon completion of the Work and within thirty (30) days of receipt of an itemized invoice, unless the City disputes such invoice. In that instance, the undisputed portion of the invoice will be paid by the City within the above timeframe. The City will set forth its reasons for the disputed claim amount and make good faith efforts to resolve the invoice dispute with Contractor as promptly as is reasonably possible.

#### **Section 4. City’s Rights and Responsibilities**

4.1. The City will designate a Project Manager to facilitate day-to-day communication between Contractor and the City, including timely receipt and processing of invoices, requests for information, and general coordination of City staff to support the Project.

4.2. Award of this Contract is subject to budget appropriation. Funds are approved for Fiscal Year 2021-22. If not completed within this fiscal year, funds may not be appropriated for the next fiscal year. The City also reserves the right to terminate this Contract early, as described in **Section 13**.

#### **Section 5. Project Managers**

The City’s Project Manager is Jeff Gooden. Contractor’s Project Manager is Marci Muchmore.

#### **Section 6. Subcontractors and Assignments**

Unless expressly authorized in writing by the City, pursuant to **Subsection 14**, Contractor shall not subcontract with others for any of the Work prescribed herein. Contractor shall not assign any of Contractor’s rights acquired hereunder without obtaining prior written approval from the City. Some Work may be performed by persons other than Contractor, provided Contractor advises the City of the names of such subcontractors and the services which they intend to provide, and the City specifically agrees, in writing, to such subcontracting. Contractor acknowledges such services will be provided to the City pursuant to a subcontract(s) between Contractor and subcontractor(s) and no privity of contract exists between the City and the



subcontractor(s). Unless otherwise specifically provided by this Contract, the City incurs no liability to third persons for payment of any compensation provided herein to Contractor. Any attempted assignment of this Contract without the written consent of the City shall be void. Except as otherwise specifically agreed, all costs for services performed by others on behalf of Contractor shall not be subject to additional reimbursement by the City.

## **Section 7. Contractor Is Independent Contractor**

Except as otherwise mandated by state law, the performance of Work under this Contract is at Contractor's sole risk. All damages or loss to Work, equipment, or materials incurred during the performance of the Work shall be at Contractor's sole risk. Contractor is an independent contractor for all purposes and shall be entitled to no compensation other than the Contract Sum provided for under **Section 3** of this Contract. Contractor will be solely responsible for determining the manner and means of accomplishing the end result of Contractor's Work. The City does not have the right to control or interfere with the manner or method of accomplishing said Work. The City, however, will have the right to specify and control the results of Contractor's Work so such Work meets the requirements of the Project.

## **Section 8. Contractor's Responsibilities**

8.1. Contractor must comply with all applicable Oregon and federal wage and hour laws. Contractor shall make all required workers compensation and medical care payments on time. Contractor shall be fully responsible for payment of all employee withholdings required by law, including but not limited to taxes, including payroll, income, Social Security (FICA), and Medicaid. Contractor shall also be fully responsible for payment of salaries, benefits, taxes, Industrial Accident Fund contributions, and all other charges on account of any employees. Contractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

8.2. No person shall be discriminated against by Contractor or any subcontractor in the performance of this Contract on the basis of sex, gender, race, color, creed, religion, marital status, age, disability, sexual orientation, gender identity, or national origin. Any violation of this provision shall be grounds for cancellation, termination, or suspension of the Contract, in whole or in part, by the City. Contractor shall comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the Contract or to the implementation of the Project. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following laws, regulations, and executive orders to the extent they are applicable to the Contract or the implementation of the Project: (a) all applicable requirements of state civil rights and rehabilitation statutes, rules, and regulations; (b) Titles VI and VII of the Civil Rights Act of 1964, as amended; (c) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (d) the Americans with Disabilities Act of 1990, as amended, and ORS 659A.142; (e) Executive Order 11246, as amended; (f) the Health Insurance Portability and Accountability Act of 1996; (g) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (h) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (i) all regulations and administrative rules

established pursuant to the foregoing laws; and (j) all other applicable requirements of federal civil rights and rehabilitation statutes, rules, and regulations.

8.3. Contractor shall make payment promptly, as due, to all parties supplying to such Contractor labor or material for the prosecution of the Work provided for in the Contract.

8.4. Contractor shall make payment promptly, as due, to any party furnishing medical, surgical, hospital, or other needed care and attention, incident to sickness or injury, to the employees of Contractor, of all sums which Contractor agreed to pay or collected or deducted from the wages of employees pursuant to any law, contract, or agreement for the purpose of providing payment for such service.

8.5. With certain exceptions listed below, Contractor shall not require or permit any person to work more than ten (10) hours in any one (1) day, or forty (40) hours in any one (1) week, except in case of necessity, emergency, or where public policy requires it, and in such cases the person shall be paid at least time and a half for:

8.5.1. All overtime in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week when the work week is five (5) consecutive days, Monday through Friday; or

8.5.2. All overtime in excess of ten (10) hours in any one (1) day or forty (40) hours in any one (1) week when the work week is four (4) consecutive days, Monday through Friday; and

8.5.3. All work performed on the days specified in ORS 279B.020(1)(b) for public contracts.

8.6. Contractor must give notice to employees who work on a public contract, in writing, either at the time of hire or before commencement of Work on the Contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

8.7. The hourly rate of wage to be paid by any Contractor to employed workers or other persons doing or contracting to do all or part of the work contemplated by a public contract shall be not less than the applicable wage required by law.

8.8. Contractor, and all employers working under the Contract, are subject employers under the Oregon Workers Compensation Law and shall comply with ORS 656.017 unless otherwise exempt under ORS 656.126.

8.9. In the performance of this Contract, Contractor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to those dealing with the prevention of environmental pollution and the preservation of natural resources (and avoidance of natural resource damages) in the performance of the Contract, including but not limited to ORS 279C.525. If new or amended statutes, ordinances, or regulations are adopted, or

Contractor encounters a condition not referred to in this Contract, not caused by Contractor, and that was not discoverable by reasonable site inspection, which requires compliance with federal, state, or local laws or regulations dealing with the preservation of the environment, both the City and Contractor shall have all the rights and obligations set forth in ORS 279C.525.

8.10. Contractor shall be liable for any fine imposed against Contractor, the City or the 'Project' as a result of a violation of any laws or permitting requirements by Contractor or any suppliers.

## **Section 9. Indemnity**

9.1. Indemnification. Contractor acknowledges responsibility for liability arising out of the performance of this Contract, and shall defend, indemnify, and hold the City harmless from any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting or allegedly resulting from Contractor's negligent acts, omissions, errors, or willful or reckless misconduct pursuant to this Contract, or from Contractor's failure to perform its responsibilities as set forth in this Contract. The review, approval, or acceptance by the City, its Project Manager, or any City employee of documents or other work performed, prepared, or submitted by Contractor shall not be considered a negligent act, error, omission, or willful misconduct on the part of the City, and none of the foregoing shall relieve Contractor of its responsibility to perform in full conformity with the City's requirements, as set forth in this Contract, and to indemnify the City as provided above and to reimburse the City for any and all costs and damages suffered by the City as a result of Contractor's negligent performance of this Contract, failure of performance hereunder, violation of state or federal laws, or failure to adhere to the standards of performance and care described in **Subsection 9.2**. Contractor shall defend the City (using legal counsel reasonably acceptable to the City) against any claim that alleges negligent acts, omissions, errors, or willful or reckless misconduct by Contractor. As used herein, the term "Contractor" applies to Contractor and its own agents, employees, and suppliers, and to all of Contractor's subcontractors, including their agents, employees, and suppliers.

9.2. Standard of Care. In the performance of the Work, Contractor agrees to use at least that degree of care and skill exercised under similar circumstances by reputable members of Contractor's profession practicing in the Portland metropolitan area. Contractor will re-perform any Work not meeting this standard without additional compensation. Contractor's re-performance of any Work, even if done at the City's request, shall not be considered as a limitation or waiver by the City of any other remedies or claims it may have arising out of Contractor's failure to perform in accordance with the applicable standard of care of this Contract and within the prescribed timeframe.

## **Section 10. Insurance**

10.1. Insurance Requirements. Contractor must maintain insurance coverage acceptable to the City in full force and effect throughout the term of this Contract. Such insurance shall cover all risks arising directly or indirectly out of Contractor's activities or work hereunder. Any and all agents or subcontractors with which Contractor contracts for any portion of the Work must have insurance that conforms to the insurance requirements in this Contract. Additionally,

if a subcontractor is an engineer, architect, or other professional, Contractor must require the subcontractor to carry Professional Errors and Omissions insurance and must provide to the City proof of such coverage. The amount of insurance carried is in no way a limitation on Contractor's liability hereunder. The policy or policies maintained by Contractor shall provide at least the following minimum limits and coverages at all times during performance of this Contract:

10.1.1. Commercial General Liability Insurance. Contractor and all subcontractors shall obtain, at each of their own expense, and keep in effect during the term of this Contract, comprehensive Commercial General Liability Insurance covering Bodily Injury and Property Damage, written on an "occurrence" form policy. This coverage shall include broad form Contractual Liability insurance for the indemnities provided under this Contract and shall be for the following minimum insurance coverage amounts: The coverage shall be in the amount of **\$2,000,000** for each occurrence and **\$3,000,000** general aggregate and shall include Products-Completed Operations Aggregate in the minimum amount of **\$2,000,000** per occurrence, Fire Damage (any one fire) in the minimum amount of **\$50,000**, and Medical Expense (any one person) in the minimum amount of **\$10,000**. All of the foregoing coverages must be carried and maintained at all times during this Contract.

10.1.2. Business Automobile Liability Insurance. If Contractor or any subcontractors will be using a motor vehicle in the performance of the Work herein, Contractor shall provide the City a certificate indicating that Contractor and its subcontractors have business automobile liability coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than **\$2,000,000**.

10.1.3. Workers Compensation Insurance. Contractor, its subcontractors, and all employers providing work, labor, or materials under this Contract that are subject employers under the Oregon Workers Compensation Law shall comply with ORS 656.017, which requires them to provide workers compensation coverage that satisfies Oregon law for all their subject workers under ORS 656.126. Out-of-state employers must provide Oregon workers compensation coverage for their workers who work at a single location within Oregon for more than thirty (30) days in a calendar year. Contractors who perform work without the assistance or labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than **\$500,000** each accident.

10.1.4. Insurance Carrier Rating. Coverages provided by Contractor and its subcontractors must be underwritten by an insurance company deemed acceptable by the City, with an AM Best Rating of A or better. The City reserves the right to reject all or any insurance carrier(s) with a financial rating that is unacceptable to the City.

10.1.5. Additional Insured and Termination Endorsements. The City will be named as an additional insured with respect to Contractor's liabilities hereunder in insurance coverages. Additional Insured coverage under Contractor's Commercial General Liability, Automobile Liability, and Excess Liability Policies, as applicable, will

be provided by endorsement. Additional insured coverage shall be for both ongoing operations via ISO Form CG 2010 or its equivalent, and products and completed operations via ISO Form CG 2037 or its equivalent. Coverage shall be Primary and Non-Contributory. Waiver of Subrogation endorsement via ISO Form CG 2404 or its equivalent shall be provided. The following is included as additional insured: “The City of McMinnville, its elected and appointed officials, officers, agents, employees, and volunteers.” An endorsement shall also be provided requiring the insurance carrier to give the City at least thirty (30) days’ written notification of any termination or major modification of the insurance policies required hereunder. Contractor must be an additional insured on the insurance policies obtained by its subcontractors performing any of the Work contemplated under this Contract.

10.1.6. Certificates of Insurance. As evidence of the insurance coverage required by this Contract, Contractor shall furnish a Certificate of Insurance to the City. This Contract shall not be effective until the required certificates and the Additional Insured Endorsements have been received and approved by the City. Contractor agrees that it will not terminate or change its coverage during the term of this Contract without giving the City at least thirty (30) days’ prior advance notice and Contractor will obtain an endorsement from its insurance carrier, in favor of the City, requiring the carrier to notify the City of any termination or change in insurance coverage, as provided above.

10.2. Primary Coverage. The coverage provided by these policies shall be primary, and any other insurance carried by the City is excess. Contractor shall be responsible for any deductible amounts payable under all policies of insurance. If insurance policies are “Claims Made” policies, Contractor will be required to maintain such policies in full force and effect throughout any warranty period.

## **Section 11. Warranty**

11.1. Contractor warrants to the City that any materials and equipment furnished under this Contract will be new and of good quality, unless otherwise required or permitted by this Contract, that the Services will be free from defects, and that the Services will conform to the requirements of this Contract. Services not conforming to these requirements, including substitutions not properly approved and authorized in writing by the City, may be considered defective.

## **Section 12. Suspension**

The City may suspend, delay, or interrupt all or any part of the Services for such time as the City deems appropriate for its own convenience by giving written notice thereof to Contractor. An adjustment in the time of performance or method of compensation shall be negotiated as a result of such delay or suspension, unless the reason for the delay was within Contractor’s control. The City shall not be responsible for Services performed by any subcontractors after notice of suspension is given by the City to Contractor.

### **Section 13. Early Termination; Default**

13.1. This Contract may be terminated prior to the expiration of the agreed upon terms:

13.1.1. By mutual written consent of the parties;

13.1.2. By the City, for any reason, and within its sole discretion, effective upon delivery of written notice to Contractor by mail or in person; or

13.1.3. By Contractor, effective upon seven (7) days' prior written notice, in the event of substantial failure by the City to perform in accordance with the terms through no fault of Contractor, where such default is not cured within the seven (7) day period by the City. Withholding of disputed payment is not a default by the City.

13.2. If the City terminates this Contract in whole or in part, due to default or failure of Contractor to perform Work in accordance with the Contract, the City may procure, upon reasonable terms and in a reasonable manner, services similar to those so terminated. In addition to any other remedies the City may have, both at law and in equity, for breach of contract, Contractor shall be liable for all costs and damages incurred by the City as a result of the default by Contractor, including, but not limited to all costs incurred by the City in procuring services from others as needed to complete this Contract. This Contract shall be in full force to the extent not terminated by written notice from the City to Contractor. In the event of a default, the City will provide Contractor with written notice of the default and a period of three (3) days to cure the default. If Contractor notifies the City that it cannot, in good faith, do so within the three (3) day cure period provided, then the City may elect, in its sole discretion, to extend the cure period to an agreed upon time period, or the City may elect to terminate this Contract and seek remedies for the default, as provided above.

13.3. If the City terminates this Contract for its own convenience not due to any default by Contractor, payment of Contractor shall be prorated to, and include the day of, termination and shall be in full satisfaction of all claims by Contractor against the City under this Contract.

13.4. Termination under any provision of this **Section 13** shall not affect any right, obligation, or liability of Contractor or the City that accrued prior to such termination. Contractor shall surrender to the City items of work or portions thereof, for which Contractor has received payment or the City has made payment.

### **Section 14. Contract Modification; Change Orders**

Any modification of the provisions of this Contract shall not be enforceable or binding unless reduced to writing and signed by both the City and Contractor.

### **Section 15. Notices**

Any notice required or permitted under this Contract shall be in writing and shall be given when actually delivered in person or forty-eight (48) hours after having been deposited in the United

States mail as certified or registered mail, addressed to the addresses set forth below, or to such other address as one party may indicate by written notice to the other party.

To City: City of McMinnville  
Attn: Jeff Gooden, Engineering Technician  
230 NE Second Street  
McMinnville, OR 97128

To Contractor: Long Building Technologies Inc.  
Attn: Marci Muchmore  
5000 SE 25<sup>th</sup> Avenue  
Portland, OR 97202

## **Section 16. Miscellaneous Provisions**

16.1. Integration. This Contract, including all exhibits attached hereto, contains the entire and integrated agreement between the parties and supersedes all prior written or oral discussions, representations, or agreements. In case of conflict among these documents, the provisions of this Contract shall control.

16.2. Legal Effect and Assignment. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Contract may be enforced by an action at law or in equity.

16.3. No Assignment. Contractor may not assign this Contract, nor delegate the performance of any obligations hereunder, unless agreed to in advance and in writing by the City.

16.4. Adherence to Law. This Contract shall be subject to, and Contractor shall adhere to, all applicable federal, state, and local laws (including the McMinnville Code and Public Works Standards), including but not limited to laws, rules, regulations, and policies concerning employer and employee relationships, workers compensation, and minimum and prevailing wage requirements. Any certificates, licenses, or permits that Contractor is required by law to obtain or maintain in order to perform the Work described in this Contract shall be obtained and maintained throughout the term of this Contract.

16.5. Governing Law. This Contract shall be construed in accordance with and governed by the laws of the State of Oregon, regardless of any conflicts of laws. All contractual provisions required by ORS Chapters 279A, 279B, 279C, and related Oregon Administrative Rules to be included in public agreements are hereby incorporated by reference and shall become a part of this Contract as if fully set forth herein.

16.6. Jurisdiction. Venue for any dispute will be in Yamhill County Circuit Court.

16.7. Legal Action/Attorney Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Contract or to interpret or enforce any rights

or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or body at trial or on any appeal or review, in addition to all other amounts provided by law. If the City is required to seek legal assistance to enforce any term of this Contract, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review.

16.8. Nonwaiver. Failure by either party at any time to require performance by the other party of any of the provisions of this Contract shall in no way affect the party's rights hereunder to enforce the same, nor shall any waiver by the party of the breach hereof be held to be a waiver of any succeeding breach or a waiver of this nonwaiver clause.

16.9. Severability. If any provision of this Contract is found to be void or unenforceable to any extent, it is the intent of the parties that the rest of the Contract shall remain in full force and effect, to the greatest extent allowed by law.

16.10. Modification. This Contract may not be modified except by written instrument executed by Contractor and the City.

16.11. Time of the Essence. Time is expressly made of the essence in the performance of this Contract.

16.12. Calculation of Time. Except where the reference is to business days, all periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday, or legal holiday observed by the City, the period shall be extended to include the next day which is not a Saturday, Sunday, or legal holiday. Where the reference is to business days, periods of time referred to herein shall exclude Saturdays, Sundays, and legal holidays observed by the City. Whenever a time period is set forth in days in this Contract, the first day from which the designated period of time begins to run shall not be included.

16.13. Headings. Any titles of the sections of this Contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

16.14. Number, Gender and Captions. In construing this Contract, it is understood that, if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that, generally, all grammatical changes shall be made, assumed, and implied to individuals and/or corporations and partnerships. All captions and paragraph headings used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Contract.

16.15. Good Faith and Reasonableness. The parties intend that the obligations of good faith and fair dealing apply to this Contract generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Contract. The obligation to be reasonable shall only be negated if arbitrariness is clearly and explicitly permitted



as to the specific item in question, such as in the case of where this Contract gives the City “sole discretion” or the City is allowed to make a decision in its “sole judgment.”

16.16. Other Necessary Acts. Each party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Contract in order to provide and secure to the other parties the full and complete enjoyment of rights and privileges hereunder.

16.17. Interpretation. As a further condition of this Contract, the City and Contractor acknowledge that this Contract shall be deemed and construed to have been prepared mutually by each party and it shall be expressly agreed that any uncertainty or ambiguity existing therein shall not be construed against any party. In the event that any party shall take an action, whether judicial or otherwise, to enforce or interpret any of the terms of the contract, the prevailing party shall be entitled to recover from the other party all expenses which it may reasonably incur in taking such action, including attorney fees and costs, whether incurred in a court of law or otherwise.

16.18. Entire Agreement. This Contract, all documents attached to this Contract, and all Contract Documents and laws and regulations incorporated by reference herein represent the entire agreement between the parties.

16.19. Counterparts. This Contract may be executed in one or more counterparts, each of which shall constitute an original Contract but all of which together shall constitute one and the same instrument.

16.20. Authority. Each party signing on behalf of Contractor and the City hereby warrants actual authority to bind their respective party.

[Remainder of Page Intentionally Left Blank]

The Contractor and the City hereby agree to all provisions of this Contract.

**CONTRACTOR:**

**CITY:**

LONG BUILDING TECHNOLOGIES INC.

CITY OF McMinnville

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

As Its: \_\_\_\_\_

As Its: \_\_\_\_\_

Employer I.D. No. \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney  
City of McMinnville, Oregon

# **EXHIBIT A - SCOPE OF WORK**

CITY OF McMinnville, OREGON

## ***CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES***

Project 2022-3

### **TECHNICAL SPECIFICATIONS**

#### **300 PROJECT REQUIREMENTS**

##### **301 Scope of Work**

The Contractor shall provide HVAC inspection and preventive maintenance services on the City facilities listed below. The inspection and preventive maintenance requirements for each building are outlined on the individual worksheets that follow these technical specifications.

The specific buildings and areas covered by this contract are as follows:

1. McMinnville Public Library, 225 NW Adams Street
2. McMinnville Chamber of Commerce, 417 NW Adams Street
3. McMinnville City Hall, 230 NE Second Street
4. Community Development Center, 231 NE Fifth Street
5. McMinnville Community Center, 600 NE Evans Street
6. McMinnville Senior Center, 2250 NE McDaniel Lane
7. Oregon State Police Building, 3975 Cirrus Avenue
8. Airport Maintenance Hangars, 4006 & 4010 Cirrus Avenue
9. McMinnville Public Works Shops, 1900 NE Riverside Drive
10. Kent L. Taylor Civic Hall, 200 NE 2<sup>nd</sup> Street

##### **302 Service Requirements**

(A) The City will designate a contact person at each facility (Note: the designated contacts are included with the individual site requirements of these specifications). **THE CONTRACTOR'S MAINTENANCE AND SERVICE PERSONNEL SHALL CHECK IN WITH EACH FACILITY'S CONTACT PERSON PRIOR TO PERFORMING ANY WORK. UPON COMPLETION OF THE SERVICE, A WRITTEN CHECKLIST OF THE ITEMS COMPLETED AND A REPORT OR SERVICE ORDER DESCRIBING ANY RECOMMENDED WORK SHALL BE LEFT WITH THE FACILITY'S CONTACT PERSON.**

These files must be kept by the contractor for the life of the contract.

Additionally, a copy of the written report or service order shall be mailed to:

**David Renshaw, Public Works Operations Superintendent**  
City of McMinnville  
1900 NE Riverside Drive  
McMinnville, OR 97128

Failure to properly check-in prior to each service, or to provide copies of the written service orders will result in withholding of payment for that billing period.

### **303 Safety and Health Standards / Accident Prevention**

In accordance with generally accepted safety practice, the Contractor shall be solely and completely responsible for conditions on the job site, including safety of all persons and property during the performance of the work.

The Contractor shall instruct employees about and otherwise safeguard them against any possible injuries associated with the HVAC equipment, as well as other potential hazards within the City's facilities. The Contractor shall comply with all applicable OSHA and Oregon OSHA laws, including hazardous materials identification rules and lock out/tag out rules. The Contractor shall properly and securely label all chemicals used on the City's premises. The Contractor shall properly dispose of chemical waste and chemical waste receptacles.

### **304 Performance Requirement**

The Contractor shall perform all of the HVAC inspection and preventive maintenance requirements at each location as specified. Failure of the Contractor to perform all of the required activities specified herein, at any location, will result in the withholding of payment for that location.

When possible and practical, the City will notify the Contractor of noted maintenance deficiencies to allow for the Contractor to perform corrections. Failure of the City to provide notice of the deficiencies to the Contractor shall not excuse the Contractor from the requirements of these specifications, and shall not be the basis for payment claims by the Contractor.

The work is to be performed as per the schedules noted on each facility's individual technical specification. Seasonal visits are as follows: Spring (pre-cooling, March/April); Summer (Cooling, June/July); Fall (pre-heating, September/October), Winter (heating, December/January). Work shall be performed with four weeks of dates noted on the facility technical specification, unless otherwise arranged with the facility contact.

Four or more incidents of non-performance by the Contractor over the period of the contract, including any extension, shall be considered sufficient cause for termination of the contract upon written notice by the City.

The work shall include preventive maintenance and repair services for the following categories:

1. Air handling systems, including rooftop package heat pumps, wall mounted heat pumps air handling units with split system refrigeration, central station air handling systems, fan-coil units, exhaust fans, unit heaters, pad mounted heat pumps, and ductless systems.

2. Furnaces: various furnaces including electric, oil and natural gas.
3. Water chillers: water chillers of various types including centrifugal, reciprocating, rotary screw, water cooled and air cooled.
4. Boilers: boilers of various types including heating water boilers, boilers fired by natural gas, boilers fired by oil and electric boilers.
5. Cooling towers: Includes open circuit cooling towers.
6. Hydronic systems: includes water pumps, related piping systems, pipe fittings, accessories, appurtenances and pipe insulation.
7. Water chemistry: perform water chemistry tests on chilled water, heating water and condensing water systems as required or requested. All results shall be delivered to the Owner along with recommendations to correct the water chemistry.
8. Automatic temperature controls: includes pneumatic, electric, electronic and direct digital systems. The work includes air compressors, air driers, temperature control instruments, logic devices, programming and all related accessories and appurtenances.
9. Mechanical Systems: work may include requested/required work related to sheet metal works, fabricating and installing galvanized aluminum and stainless steel ductwork in a wide range of applications.
10. Filters: all filters shall be MERV 13 unless otherwise noted.

All service technicians shall have current local and state licenses required for the work. Proof of qualifications must be provided to the City upon request.

### **305 Damages**

The Contractor shall report, without delay, any damage to the City's equipment or property. The Contractor shall be liable for damages caused by the Contractor, Contractor's vehicular traffic, or Contractor's employees. The City may, at its option, repair any areas of Contractor damage and deduct the costs from any monies due the Contractor.

### **306 Service Request Response, Emergencies, and Emergency Numbers**

Contractor shall be available for direct telephone contact by the City during the City's normal working hours. The Contractor shall employ person(s) to answer the telephone (complaints, requests for service, etc.). The Contractor shall respond to any routine request from the City within 24 hours.

In the event of emergency situations (health or safety) involving the City's buildings, equipment, or personnel, the Contractor or its agent shall immediately report same to the City.

The Contractor is further required to provide the City with two 24-hour emergency numbers for contact outside normal working hours. These emergency numbers shall be used to contact a responsible representative of Contractor who can take the necessary action required to alleviate an emergency condition which threatens to cause damage to any property.

The Contractor shall respond to any emergency call-out by the City within three (3) hours, except when delayed by problems caused by vehicle accidents or an Act of God. Any emergency call response shall be considered part of the normal contract, and shall be paid at the call-out rates contained in the Contractor's Proposal.

### **307 Invoicing and Payment**

The Contractor shall submit monthly or quarterly invoices (at the Contractors option) for services rendered to the City. Each invoice shall be itemized to show the amounts due per each building, with the amounts due being the prorated amount of the yearly total for the building (1/4<sup>th</sup> for quarterly billings or 1/12<sup>th</sup> for monthly billings) plus any call-out services for the building.

Work performed outside the scope the preventative maintenance tasks noted in this contract shall be pre-authorized by the City. The Contractor shall provide the facility contact with a written estimate of the cost of such work prior to work commencing. All such estimates will detail all costs in an itemized manner, including but not limited to parts, labor, surcharges, etc. The City reserves the right to seek additional quotes from other vendors for any such work at its discretion.

The Invoice(s) shall be delivered to:  
David Renshaw, Public Works Operations Superintendent  
City of McMinnville  
230 NE Second Street  
McMinnville, OR 97128

The invoice must show the name, address, and telephone number of Contractor, invoice number, billing period, amount due for each site, and grand total.

Payment shall not exceed the amounts listed in the proposal without the prior approval of the City. Total payments to Contractor shall not exceed the amount specified in the contract without prior written approval of the City. Payment will be made as promptly as the ordinary payment procedure of the City will permit.

### **308 Length of Contract**

This Contract is effective on the date that it is fully executed. The contract shall span five fiscal years (July 1<sup>st</sup> thru June 30<sup>th</sup>) to align with the City's Fiscal Year accounting . The City reserves the right to terminate this contract at the end of

the fiscal year should the City fail to appropriate the sufficient funds to pay for the contract in the next fiscal year. The Contract shall expire, unless otherwise terminated or extended on June 30, 2027.

The parties may, upon written agreement, extend the expiration date of the contract two time for an two additional two years each (to June 30, 2029, and to June 30, 2031).

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **LIBRARY**  
225 NW Adams Street

**DESIGNATED CONTACT:** **Jenny Berg, Library Director**  
**503.435.5550**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed SHALL be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access:
  - a. Units are located in HVAC room in Library basement and 1<sup>st</sup> floor of Carnegie Building. Cooling tower is located in outdoor pit at SW corner of building
- 6.

**REQUIRED TASKS:**

**Fall (Pre-Heating, September)**

**A. Heating and Cooling Units**

- 1) Check units for refrigerant leaks
- 2) Check pressures, amperages and voltages on all compressors
- 3) Check and calibrate safety and operating controls
- 4) MEG test hermetic compressors
- 5) Check and tighten all electrical and motor terminals, ensure they are free from corrosion
- 6) Check starters and motor controllers for wear
- 7) Check oil level in compressor (where applicable), provide recommendation for oil change interval, change oil with approval



- 8) Check crankcase heater for proper operation, repair or replace as necessary
- 9) Check operation of burner or heating elements

**B. Air Handlers**

- 1) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 2) Inspect drains and insure that lines are clear and free from debris and biological growth. Clean as necessary
- 3) Check bearings and motor mounts.
- 4) Check amperages and voltages on blower motors
- 5) Lubricate fan motors and field serviceable bearings as needed
- 6) Check belt alignment and tension (adjust or replace as needed)
- 7) Check external water circulation pumps for proper operation and excessive wear. Lubricate bearings and shafts
- 8) Check all dampers for proper operation, settings, and ensure that all linkage connections are secure and all actuators are working properly
- 9) Change all filters with high efficiency pleated filters.

**C. Air Compressor**

- 1) Inspect for proper operation and pressures
- 2) Check oil level
- 3) Inspect and drain any accumulated water from water separation filter, replace filter element as necessary to maintain proper operation
- 4) Inspect all electrical connections for correct amperages and voltages
- 5) Tighten all electrical connections and ensure that they are free from corrosion
- 6) Inspect main pneumatic lines for moisture build up.

**Winter (Heating, December)**

**D. Air handlers**

- 1) Lubricate fan motors and field serviceable bearings as needed
- 2) Check belt alignment and tension (adjust or replace as needed)
- 3) Check external water circulation pumps for proper operation and excessive wear. Lubricate bearings and shafts
- 4) Check all dampers for proper operation, settings, and ensure that all linkage connections are secure and all actuators are working properly
- 5) Change all filters with high efficiency pleated filters.

**E. Air Compressor**

- 7) Inspect for proper operation and pressures
- 8) Check oil level

- 9) Inspect and drain any accumulated water from water separation filter, replace filter element as necessary to maintain proper operation
- 10) Inspect all electrical connections for correct amperages and voltages
- 11) Tighten all electrical connections and ensure that they are free from corrosion
- 12) Inspect main pneumatic lines for moisture build up.

### **Spring (Pre-cooling, March)**

#### **A. Cooling tower**

- 1) Inspect water pump
- 2) Inspect float valve assembly
- 3) Inspect bleed off line and overflow
- 4) Inspect tower strainers
- 5) Inspect tower spray nozzles and eliminators
- 6) Flush cooling tower after cleaning
- 7) Check sump heaters
- 8) Check and adjust fan belts, replace as necessary
- 9) Fill system after cooling tower has been inspected and cleaned
- 10) Check for leaks
- 11) Lubricate fan motors and all field serviceable bearings
- 12) Check amperage on motors
- 13) Check and adjust condenser water temperature
- 14) Check cooling tower pump for proper operation. Repair or replace as needed
- 15) Clean platform and surrounding area

#### **B. Air handlers**

- 1) Lubricate fan motors and field serviceable bearings as needed
- 2) Check belt alignment and tension (adjust or replace as needed)
- 3) Check external water circulation pumps for proper operation and excessive wear. Lubricate bearings and shafts
- 4) Check all dampers for proper operation, settings, and ensure that all linkage connections are secure and all actuators are working properly
- 5) Change all filters with high efficiency pleated filters.

#### **C. Air Compressor**

- 1) Inspect for proper operation and pressures
- 2) Check oil level
- 3) Inspect and drain any accumulated water from water separation filter, replace filter element as necessary to maintain proper operation
- 4) Inspect all electrical connections for correct amperages and voltages
- 5) Tighten all electrical connections and ensure that they are free from corrosion

- 6) Inspect main pneumatic lines for moisture build up.

### **Summer (Cooling, June)**

#### **A. Air handlers**

- 1) Lubricate fan motors and field serviceable bearings as needed
- 2) Check belt alignment and tension (adjust or replace as needed)
- 3) Check external water circulation pumps for proper operation and excessive wear.  
Lubricate bearings and shafts
- 4) Check all dampers for proper operation, settings, and ensure that all linkage connections are secure and all actuators are working properly
- 5) Change all filters with high efficiency pleated filters.

#### **B. Air Compressor**

- 1) Inspect for proper operation and pressures
- 2) Check oil level
- 3) Inspect and drain any accumulated water from water separation filter, replace filter element as necessary to maintain proper operation
- 4) Inspect all electrical connections for correct amperages and voltages
- 5) Tighten all electrical connections and ensure that they are free from corrosion
- 6) Inspect main pneumatic lines for moisture build up.

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **CHAMBER OF COMMERCE**  
417 NW Adams Street

**DESIGNATED CONTACT:** **David Renshaw, PW Operations Supt.**  
**503.434.7316**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed SHALL be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access:
  - a. Heat pump: outdoors along south wall
  - b. AC unit: outdoors along west wall
  - c. Furnaces
    - i. Gas fired unit: in basement, building access required
    - ii. Electric furnace: in attic, narrow stairway access, building access required.

**REQUIRED TASKS:**

**Fall (Pre-Heating, October; Heating/Cooling units)**

- 1) Cycle and check each unit for proper heating operation
- 2) Check units for refrigerant leaks
- 3) Check pressures, amperages and voltages on all compressors
- 4) Check amperages on fan motors
- 5) Check safety and operating controls, calibrate as necessary, including thermostats
- 6) Check crankcase heater
- 7) Check defrost on heat pump

- 8) Check operation of gas furnace, check burners and flue for deterioration, condensation and combustion products. Clean, test and adjust combustion process as necessary.
- 9) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 10) Check motor controllers for wear
- 11) Lubricate fan motors and all field serviceable bearings. Inspect condition of fan blades
- 12) Inspect drives and sheaves

**Fall (Pre-Heating, October; Heating/Cooling units)**

- 13) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 14) Change all filters with high efficiency pleated filters
- 15) Clean washable filters (if applicable)

**Winter (Heating, January)**

- 1) Change all filters with high efficiency pleated filters
- 2) Clean washable filters (if applicable)

**Spring (Pre-heating, April)**

- 1) Cycle and check each unit for proper cooling operation
- 2) Check motor controllers for wear
- 3) Inspect drains and insure that lines are clear and free from debris and biological growth. Clean as necessary
- 4) Inspect drives and sheaves
- 5) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 6) Check belt alignment and tension (adjust or replace as needed)
- 7) Change all filters with high efficiency pleated filters
- 8) Clean washable filters (if applicable)

**Summer (Cooling, July)**

- 1) Check and maintain all building exhaust fans and blowers, including attic fans. Clean as necessary, check switch operation. If fans are automatically controlled, check thermostat operation.
- 2) Change all filters with high efficiency pleated filters
- 3) Clean washable filters (if applicable)

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **CITY HALL**  
230 NE Second Street

**DESIGNATED CONTACT:** **Ron Ponto**  
**503.437.6240**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed SHALL be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access:
6. a. Central air handler and boiler in basement, building access required
7. b. Heat pumps and split unit are on roof, ladder required

**REQUIRED TASKS:**

**Fall (Pre-Heating, October; Heating/Cooling units, air handler, boiler)**

- 1) Cycle and check each unit for proper heating operation
- 2) Check units for refrigerant leaks
- 3) Check pressures, amperages and voltages on all compressors
- 4) Check amperages on fan motors
- 5) Check safety and operating controls, calibrate as necessary, including thermostats
- 6) Check operation of heating elements, inspect contacts and wiring
  - a. Check boiler burner for deterioration, moisture problems, condensation and combustion products. Clean, test and adjust combustion process for proper operation
  - b. Visually inspect fuel filter, clean, repair or replace as necessary
  - c. Check fuel pump for proper operation. Repair or replace as necessary.

- 7) Check crankcase heater
- 8) Check defrost on heat pumps and split a/c unit
- 9) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer

**Fall (Pre-Heating, October; Heating/Cooling units, air handler, boiler), CONT.**

- 10) Check motor controllers for wear
- 11) Lubricate fan motors and all field serviceable bearings. Inspect condition of fan blades
- 12) Inspect drives and sheaves
- 13) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 14) Check belt alignment and tension (adjust or replace as needed)
- 15) Change all filters with high efficiency pleated filters
- 16) Clean washable filters (if applicable)

**Winter (Heating, January)**

- 1) Change all filters with high efficiency pleated filters
- 2) Clean washable filters (if applicable)

**Spring (Pre-heating, April)**

- 1) Cycle and check each unit for proper cooling operation
- 2) Check motor controllers for wear
- 3) Inspect drains and insure that lines are clear and free from debris and biological growth. Clean as necessary
- 4) Inspect drives and sheaves
- 5) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 6) Check belt alignment and tension (adjust or replace as needed)
- 7) Change all filters with high efficiency pleated filters
- 8) Clean washable filters (if applicable)

**Summer (Cooling, July)**

- 1) Check and maintain all building exhaust fans and blowers, including attic fans. Clean as necessary, check switch operation. If fans are automatically controlled, check thermostat operation.
- 2) Check window mounted AC units for proper cooling operation
- 3) Change all filters with high efficiency pleated filters
- 4) Clean washable filters (if applicable)

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **COMMUNITY DEVELOPMENT CENTER**  
231 NE Fifth Street

**DESIGNATED CONTACT:** **David Renshaw, Public Works Operation Supt.**  
**503.434.7316**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed SHALL be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access:
  - a. Units are roof top mounted, access is through mechanical room. Pull down ladder available on site.

**REQUIRED TASKS:**

**Fall (Pre-Heating, October; Heating/Cooling units)**

- 1) Cycle and check each unit for proper heating operation
- 2) Check units for refrigerant leaks
- 3) Check pressures, amperages and voltages on all compressors
- 4) Check amperages on fan motors
- 5) Check safety and operating controls, calibrate as necessary, including thermostats
- 6) Check operation of heating elements, inspect contacts and wiring
- 7) Check defrost on heat pumps
- 8) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 9) Check motor controllers for wear
- 10) Lubricate fan motors and all field serviceable bearings. Inspect condition of fan blades
- 11) Inspect drives and sheaves



12) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.

13) Check belt alignment and tension (adjust or replace as needed)

**Fall (Pre-Heating, October; Heating/Cooling units.), CONT.**

14) Change all filters with high efficiency pleated filters

15) Clean washable filters (if applicable)

**Winter (Heating, January)**

1) Change all filters with high efficiency pleated filters

2) Clean washable filters (if applicable)

**Spring (Pre-heating, April)**

1) Cycle and check each unit for proper cooling operation

2) Check motor controllers for wear

3) Inspect drains and insure that lines are clear and free from debris and biological growth. Clean as necessary

4) Inspect drives and sheaves

5) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.

6) Check belt alignment and tension (adjust or replace as needed)

7) Change all filters with high efficiency pleated filters

8) Clean washable filters (if applicable)

**Summer (Cooling, July)**

1) Check and maintain all building exhaust fans and blowers, including attic fans. Clean as necessary, check switch operation. If fans are automatically controlled, check thermostat operation.

2) Change all filters with high efficiency pleated filters

3) Clean washable filters (if applicable)

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **COMMUNITY CENTER**  
600 NE Evans Street

**DESIGNATED CONTACT:** **Katie Noyd, Community Center Supervisor**  
**503.434.7310**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed SHALL be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access to Equipment Obtain Keys at the front desk  
Boiler, Chiller, Cooling tower Control air compressor and HCU18 are in the Northeast Basement Mechanical room  
Air handlers are in the Basement mechanical and storage rooms  
Rooftop units are accessible via the ladder and hatch in the 2<sup>nd</sup> floor kitchen  
The Air conditioner for the Racquet ball court is on the roof, east side of the dome  
The Pneumatic control main board is in the reception office

**REQUIRED TASKS:**

**Fall (Pre-Heating, September)**

- A. Heating and Cooling Units (Electric Boiler, Chiller and Basement Unit Heaters)**
- 1) Check units for refrigerant leaks
  - 2) Check pressures, amperages and voltages on all compressors
  - 3) Check and calibrate safety and operating controls
  - 4) MEG test hermetic compressors
  - 5) Check and tighten all electrical and motor terminals, ensure they are free from corrosion
  - 6) Check starters and motor controllers for wear

- 7) Check oil level in compressor (where applicable), provide recommendation for oil change interval, change oil with approval
- 8) Check crankcase heater for proper operation, repair or replace as necessary
- 9) Check operation of burner or heating elements

**B. Air Handlers**

- 1) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 2) Inspect drain pans and insure that lines are clear and free from debris and biological growth. Clean as necessary
- 3) Check bearings and motor mounts, lubricate bearings/shafts
- 4) Check amperages and voltages on fan motors, ensure electrical connections are secure and free of corrosion
- 5) Lubricate fan motors and field serviceable bearings as needed
- 6) Check belt alignment and tension (adjust or replace as needed)
- 7) Check external water circulation pumps for proper operation and excessive wear. Lubricate bearings and shafts
- 8) Check all dampers for proper operation, settings, and ensure that all linkage connections are secure and all actuators are working properly
- 9) Change all filters with high efficiency pleated filters. (M13)

**C. Air Compressor**

- 1) Inspect for proper operation and pressures
- 2) Check oil level
- 3) Inspect and drain any accumulated water from water separation filter, replace filter element as necessary to maintain proper operation
- 4) Inspect all electrical connections for correct amperages and voltages
- 5) Tighten all electrical connections and ensure that they are free from corrosion
- 6) Inspect main pneumatic lines for moisture build up.

**Winter (Heating, December)**

**A. Air handlers**

- 1) Lubricate fan motors and field serviceable bearings as needed
- 2) Check belt alignment and tension (adjust or replace as needed)
- 3) Check external water circulation pumps for proper operation and excessive wear. Lubricate bearings and shafts
- 4) Check all dampers for proper operation, settings, and ensure that all linkage connections are secure and all actuators are working properly
- 5) Change all filters with high efficiency pleated filters. (M13)

## **B. Air Compressor**

- 1) Inspect for proper operation and pressures
- 2) Check oil level
- 3) Inspect and drain any accumulated water from water separation filter, replace filter element as necessary to maintain proper operation
- 4) Inspect all electrical connections for correct amperages and voltages
- 5) Tighten all electrical connections and ensure that they are free from corrosion
- 6) Inspect main pneumatic lines for moisture build up.

## **Spring (Pre-cooling, March)**

### **A. Cooling tower**

- 1) Inspect water pump
- 2) Inspect float valve assembly
- 3) Inspect bleed off line and overflow
- 4) Inspect tower strainers
- 5) Inspect tower spray nozzles and eliminators
- 6) Flush cooling tower after cleaning
- 7) Check sump heaters
- 8) Check and adjust fan belts, replace as necessary
- 9) Fill system after cooling tower has been inspected and cleaned
- 10) Check for leaks
- 11) Lubricate fan motors and all field serviceable bearings
- 12) Check amperage on motors
- 13) Check and adjust condenser water temperature
- 14) Check cooling tower pump for proper operation. Repair or replace as needed
- 15) Clean platform and surrounding area

### **B. Air handlers**

- 1) Lubricate fan motors and field serviceable bearings as needed
- 2) Check belt alignment and tension (adjust or replace as needed)
- 3) Check external water circulation pumps for proper operation and excessive wear. Lubricate bearings and shafts
- 4) Check all dampers for proper operation, settings, and ensure that all linkage connections are secure and all actuators are working properly
- 5) Change all filters with high efficiency pleated filters. (M-13)

### **C. Air Compressor**

- 1) Inspect for proper operation and pressures
- 2) Check oil level

- 3) Inspect and drain any accumulated water from water separation filter, replace filter element as necessary to maintain proper operation
- 4) Inspect all electrical connections for correct amperages and voltages
- 5) Tighten all electrical connections and ensure that they are free from corrosion
- 6) Inspect main pneumatic lines for moisture build up.

### **Summer (Cooling, June)**

#### **A. Air handlers**

- 1) Lubricate fan motors and field serviceable bearings as needed
- 2) Check belt alignment and tension (adjust or replace as needed)
- 3) Check external water circulation pumps for proper operation and excessive wear. Lubricate bearings and shafts
- 4) Check all dampers for proper operation, settings, and ensure that all linkage connections are secure and all actuators are working properly
- 5) Change all filters with high efficiency pleated filters. (M13)

#### **B. Air Compressor**

- 1) Inspect for proper operation and pressures
- 2) Check oil level
- 3) Inspect and drain any accumulated water from water separation filter, replace filter element as necessary to maintain proper operation
- 4) Inspect all electrical connections for correct amperages and voltages
- 5) Tighten all electrical connections and ensure that they are free from corrosion
- 6) Inspect main pneumatic lines for moisture build up.

#### **C. Building Exhaust Fans**

- 1) Check and maintain all building exhaust fans and blowers. Clean as necessary.
- 2) Check belt alignment and tension (adjust or replace as needed)

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **SENIOR CENTER**  
2250 NE McDaniel Lane

**DESIGNATED CONTACT:** **Erin Guinn, Recreation Supervisor**  
**503.474.4965**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed SHALL be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access:
  - a. Heat pumps: in locked fenced enclosure outdoors on north side of building
  - b. Furnaces and air handlers: in attic, access port is outside on north side of building; ladder required.

**REQUIRED TASKS:**

**Fall (Pre-Heating, September; Heating/Cooling units)**

- 1) Cycle and check each unit for proper heating operation
- 2) Check units for refrigerant leaks
- 3) Check pressures, amperages and voltages on all compressors
- 4) Check amperages on fan motors
- 5) Check safety and operating controls, calibrate as necessary, including thermostats
- 6) Check operation of gas furnaces. Check burner for deterioration, moisture problems, condensation and combustion products. Clean, test and adjust combustion process for proper operation
- 7) Check crankcase heater
- 8) Check operation of heating elements, inspect contacts and wiring

- 9) Check defrost on heat pumps
- 10) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 11) Check motor controllers for wear
- 12) Lubricate fan motors and all field serviceable bearings. Inspect condition of fan blades
  
- 13) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 14) Change all filters with high efficiency pleated filters
- 15) Clean washable filters (if applicable)

### **Winter (Heating, December)**

- 1) Change all filters with high efficiency pleated filters
- 2) Clean washable filters (if applicable)

### **Spring (Pre-heating, March)**

- 1) Cycle and check each unit for proper cooling operation
- 2) Check motor controllers for wear
- 3) Inspect drains and insure that lines are clear and free from debris and biological growth. Clean as necessary
- 4) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 5) Change all filters with high efficiency pleated filters
- 6) Clean washable filters (if applicable)
- 7) Service the exhaust fan on the roof, clean, lubricate

### **Summer (Cooling, June)**

- 1) Check and maintain all building exhaust fans and blowers, including attic fans. Clean as necessary, check switch operation. If fans are automatically controlled, check thermostat operation.
- 2) Change all filters with high efficiency pleated filters
- 3) Clean washable filters (if applicable)

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **OREGON STATE POLICE BUILDING**  
3975 Cirrus Avenue

**DESIGNATED CONTACT:** **Kimberly Henry, Administrative Specialist 1**  
**503.472.0294**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work. The OSP building is a secure facility, and site visits should be pre-scheduled with OSP staff.
3. Upon completion of the service, a written report or service order detailing the work or services performed **SHALL** be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access:
  - a. Heat pumps: all units are roof top mounted. Access is via the Telcom Room, through roof hatch. Ladder provided on site.
  - b. Split unit: outdoors, along west wall. Access is via OSP secure parking lot.

**REQUIRED TASKS:**

**Fall (Pre-Heating, October; Heating/Cooling units)**

- 1) Cycle and check each unit for proper heating operation
- 2) Check units for refrigerant leaks
- 3) Check pressures, amperages and voltages on all compressors
- 4) Check amperages on fan motors
- 5) Check safety and operating controls, calibrate as necessary, including thermostats
- 6) Check operation of heating elements, inspect contacts and wiring
- 7) Check crankcase heater
- 8) Check defrost on heat pumps
- 9) Replace charcoal filters



- 10) Check motor controllers for wear.
- 11) Check and tighten electrical terminals, ensuring that they are free from corrosion
- 12) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 13) Lubricate fan motors and all field serviceable bearings. Inspect condition of fan blades
- 14) Inspect drives and sheaves
- 15) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 16) Check belt alignment and tension (adjust or replace as needed)
- 17) Change all filters with high efficiency pleated filters
- 18) Clean washable filters (if applicable)

### **Winter (Heating, January)**

- 1) Change all filters with high efficiency pleated filters
- 2) Clean washable filters (if applicable)

### **Spring (Pre-heating, April)**

- 1) Cycle and check each unit for proper cooling operation
- 2) Check motor controllers for wear.
- 3) Check and tighten electrical terminals, ensuring that they are free from corrosion. Visually inspect all wiring.
- 4) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 5) Lubricate fan motors and all field serviceable bearings. Inspect condition of fan blades
- 6) Inspect drives and sheaves
- 7) Check belt alignment and tension (adjust or replace as needed)
- 8) Change all filters with high efficiency pleated filters
- 9) Clean washable filters (if applicable)

### **Summer (Cooling, July)**

- 1) Check and maintain all building exhaust fans and blowers, including attic fans. Clean as necessary, check switch operation. If fans are automatically controlled, check thermostat operation.
- 2) Change all filters with high efficiency pleated filters
- 3) Clean washable filters (if applicable)

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **AIRPORT MAINTENANCE HANGARS**  
4006 & 4010 Cirrus Avenue

**DESIGNATED CONTACT:** **Rob Dehner, Potcake Aviation**  
**503.376.0190**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed SHALL be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access:
  - a. Units are in Airport hangars, contact designated contact for access.

**REQUIRED TASKS:**

**Fall (Pre-Heating, October; Heating units)**

- 1) Cycle and check each unit for proper heating operation
- 2) Service oil furnace
  - a. Check fuel pump for proper operation
  - b. Visually inspect fuel filters, clean, repair, replace as necessary
  - c. Check combustion chamber, burner and flue for deterioration, moisture problems, condensation and combustion products. Clean, test and adjust combustion process for proper operation.
  - d. Clean blower and remove debris
- 3) Service electric furnace
  - a. Clean blower and remove debris
  - b. Check blower belt for tension and wear
  - c. Check operation of heating elements

- 4) Check amperages on fan motors
- 5) Check safety and operating controls, calibrate as necessary, including thermostats
- 6) Change all filters with high efficiency pleated filters
- 7) Clean washable filters (if applicable)

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **PUBLIC WORKS OPERATIONS COMPLEX**  
1900 NE Riverside Drive

**DESIGNATED CONTACT:** **David Renshaw**  
**503.434.7316**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building.
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed SHALL be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access:
  - a. Building 6 office; exterior wall mounted heat pumps, ladder required
  - b. Building 1, shop: roof top unit, ladder required

**REQUIRED TASKS:**

**Fall (Pre-Heating, October)**

- 1) Cycle and check each unit for proper heating operation
- 2) Check units for refrigerant leaks
- 3) Check pressures, amperages and voltages on all compressors
- 4) Check amperages on fan motors
- 5) Check safety and operating controls, calibrate as necessary, including thermostats
- 6) Check operation of heating elements, inspect contacts and wiring
- 7) Check crankcase heater
- 8) Check defrost on heat pumps
- 9) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 10) Check motor controllers for wear
- 11) Lubricate fan motors and all field serviceable bearings. Inspect condition of fan blades

- 12) Inspect drives and sheaves
- 13) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.

**Fall (Pre-Heating, October; Heating/Cooling units)**

- 14) Check belt alignment and tension (adjust or replace as needed)
- 15) Change all filters with high efficiency pleated filters
- 16) Clean washable filters (if applicable)

**Winter (Heating, January)**

- 1) Change all filters with high efficiency pleated filters
- 2) Clean washable filters (if applicable)

**Spring (Pre-heating, April)**

- 1) Cycle and check each unit for proper cooling operation
- 2) Check motor controllers for wear
- 3) Inspect drains and insure that lines are clear and free from debris and biological growth. Clean as necessary
- 4) Inspect drives and sheaves
- 5) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 6) Check belt alignment and tension (adjust or replace as needed)
- 7) Change all filters with high efficiency pleated filters
- 8) Clean washable filters (if applicable)

**Summer (Cooling, July)**

- 1) Check and maintain all building exhaust fans and blowers, including attic fans. Clean as necessary, check switch operation. If fans are automatically controlled, check thermostat operation.
- 2) Check window mounted AC units for proper cooling operation
- 3) Change all filters with high efficiency pleated filters
- 4) Clean washable filters (if applicable)

CITY OF MCMINNVILLE, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project 2022-3

**LOCATION:** **Civic Hall**  
200 SE 2<sup>nd</sup> Street

**DESIGNATED CONTACT:** **Ron Ponto, Public Safety Building Facility Manager**  
**503.437.6240**

**GENERAL CONDITIONS:**

1. The required work shall be performed at such times as to neither inconvenience the employees nor interfere with the events of the building. No work is to be scheduled on Wednesdays
2. The Contractor's maintenance and service personnel shall check in with the above listed contact **PRIOR** to performing any work.
3. Upon completion of the service, a written report or service order detailing the work or services performed **SHALL** be left with designated contact (*additionally a copy of the written report/service order and completed checklist shall be mailed or faxed to David Renshaw, Public Works Superintendent per section 302 of the Technical Specifications*).
4. The contractor shall be responsible for securing the building upon completion of the required work.
5. Access to equipment:  
Air handling unit FC-1 and RF-1 are in the mechanical/electrical room outside access through fenced area  
Outdoor condensing units are in the fenced in area Key required  
3-Unit heaters are mounted above ceiling height requires ladder access  
ACU-1 is in the data room  
Exhaust fans are roof mounted Ladder required

**REQUIRED TASKS:**

**Fall (Pre-Heating, October; Heating/Cooling units)**

- 1) Cycle and check each unit for proper heating operation
- 2) Check units for refrigerant leaks
- 3) Check pressures, amperages and voltages on all compressors
- 4) Check amperages on fan motors
- 5) Check safety and operating controls, calibrate as necessary, including thermostats
- 6) Check operation of heating elements, inspect contacts and wiring
- 7) Check defrost on heat pumps

- 8) Inspect fin tubing/coils, clean, vacuum as needed for efficient heat transfer
- 9) Check motor controllers for wear
- 10) Lubricate fan motors and all field serviceable bearings. Inspect condition of fan blades
- 11) Inspect drives and sheaves
- 12) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 13) Check belt alignment and tension (adjust or replace as needed)

**Fall (Pre-Heating, October; Heating/Cooling units.), CONT.**

- 14) Change all filters with high efficiency pleated filters (M-13)
- 15) Clean washable filters on data room wall unit
- 16) Clean evaporator coils as necessary

**Winter (Heating, January)**

- 1) Change all filters with high efficiency pleated filters (M-13)
- 2) Clean washable filters on data room wall unit

**Spring (Pre-cooling, April)**

- 1) Cycle and check each unit for proper cooling operation
- 2) Check motor controllers for wear
- 3) Inspect drains and insure that lines are clear and free from debris and biological growth. Clean as necessary
- 4) Inspect drives and sheaves
- 5) Check and tighten electrical terminals, ensure that they are free from corrosion. Visually inspect all wiring.
- 6) Check belt alignment and tension (adjust or replace as needed)
- 7) Change all filters with high efficiency pleated filters (M13)
- 8) Clean washable filters on data room wall unit
- 9) Clean evaporator coils as necessary

**Summer (Cooling, July)**

- 1) Check and maintain all building exhaust fans and blowers, including attic fans. Clean as necessary, check switch operation. If fans are automatically controlled, check thermostat operation.
- 2) Change all filters with high efficiency pleated filters (M-13)
- 3) Clean washable filters on data room wall unit

Unit #	Manufacturer	Type	Model#	Location	Area Served	Filter	Quantity
FCU-1	Trane	Air Handler Return	TWE120B3	Mech Rm	Main Chamber	16x25x1	4
RF-1	Greenheck	Fan	BSQ180	Mech Rm	Main Chamber		
GF-1	Trane	Furnace	TUX1D120A	Storage	Lobby Conference	16x20x1	1
GF-2	Trane	Furnace	TUX1D120A	West Hall Kit	110	20x24x1	1
GF-3	Trane	Furnace	TUX1D120A	Storage	Kit/Office 113	22x22x1	1
ACCU-1	Trane	Condenser	4TTA3060A3	Yard	GF-1		
ACCU-2	Trane	Condenser	4TTA3042A3	Yard	GF-2		
ACCU-3	Trane	Condenser	4TTA3030A3	Yard	GF-3		
AC-1	Mitsubishi	Fan Coil	MSA12WA	Room		Washable	
ACCU-4	Mitsubishi	Condenser Heat	MUA12WA	Yard	AC-1		
HP-1	Trane	Pump Exhaust	TWA120B3	Yard	FCU-1		
EF-1	Greenheck	Fan Exhaust	GB091	Roof	Restrooms		
EF-2	Greenheck	Fan Exhaust	GB071	Roof	Toilet 110A		
EF-3	Greenheck	Fan	GB071	Roof	Kitchen		



CITY OF McMinnville, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project No. 2022-3

**Anticipated Filter Sizes-contractor to provide MERV 13 filters**

	LOCATION	Quantity	Filter Size
1	<b>McMinnville Public Library</b> 225 NW Adams Street	12	16x20x1
		14	16x25x2
2	<b>McMinnville Chamber of Commerce</b> 417 NW Adams Street	1	spaceguard 201
		1	16x20x4
3	<b>McMinnville City Hall</b> 230 NE Second Street	4	16x20x2
		1	20x25x2
		1	16x25x2
4	<b>Community Development Center</b> 231 NE Fifth Street	8	16x20x2
		4	20x20x2
5	<b>McMinnville Community Center</b> 600 NE Evans Street	26	20x25x2
		26	20x20x2
		4	16x20x2
		1	16x20x1
		1	18x46x0.5
6	<b>McMinnville Senior Center</b> 2250 NE McDaniel Lane	1	16x20x1
7	<b>Oregon State Police Building</b> 3975 Cirrus Avenue	1	16x25x2
		4	20x25x2
		4	24x24x4
		5	16x25x1
8	<b>Airport Maintenance Hangars</b> 4006 & 4010 Cirrus Avenue	1	24x24x1
		2	16x20x2
9	<b>McMinnville Public Works Shops</b> 1900 NE Riverside Drive	2	16x25x1
		2	14.5x30.25x1
10	<b>Civic Hall</b> 200 SE 2 <sup>nd</sup> St	1	16x25x1
		1	16x20x1
		1	20x24x1
		1	22x22x1
		1	1 washable

### City of McMinnville HVAC Service Schedule

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Library			Pre-Heat			Heat			Pre-cool			Cool
Chamber	Cool			Pre-Heat			Heat			Pre-cool		
City Hall	Cool			Pre-Heat			Heat			Pre-cool		
CDC	Cool			Pre-Heat			Heat			Pre-cool		
Civic Hall	Cool			Pre-Heat			Heat			Pre-cool		
Community Center			Pre-Heat			Heat			Pre-cool			Cool
Senior Center			Pre-Heat			Heat			Pre-cool			Cool
OSP	Cool			Pre-Heat			Heat			Pre-cool		
FBO				Pre-Heat								
PW			Pre-Heat			Heat			Pre-cool			Cool

**EXHIBIT B**

**PRICING**

**BID AMOUNTS:**

Bid Item	Service Time	Service Bid Amount	
<b>Public Library - 225 NW Adams Street</b>			
1	Dec 1st to Dec 31st - heat	\$580.00	
2	Mar 1st to Mar 31st - pre cool	\$1,740.00	
3	June 1st to June 30th - cool	\$1,160.00	
4	Sept 1st to Sept 30th - pre heat	\$1,160.00	
<b>Public Library Total</b>			\$4,640.00
<b>Chamber of Commerce - 417 NE Adams Street</b>			
5	Jan 1st to Jan 31st - heat	\$240.00	
6	April 1st to April 30th - pre cool	\$750.00	
7	July 1st to July 31st - cool	\$300.00	
8	Oct 1st to Oct 31st - pre heat	\$750.00	
<b>Chamber of Commerce Total</b>			\$2,040.00
<b>City Hall - 230 NE Second Street</b>			
9	Jan 1st to Jan 31st - heat	\$218.00	
10	April 1st to April 30th - pre cool	\$725.00	
11	July 1st to July 31st - cool	\$290.00	
12	Oct 1st to Oct 31st - pre heat	\$362.00	
<b>City Hall Total</b>			\$1,595.00
<b>Community Development Center - 231 NE Fifth Street</b>			
13	Jan 1st to Jan 31st - heat	\$145.00	
14	April 1st to April 30th - pre cool	\$290.00	
15	July 1st to July 31st - cool	\$290.00	
16	Oct 1st to Oct 31st - pre heat	\$290.00	
<b>Community Development Center Total</b>			\$1,015.00
<b>Community Center - 600 NE Evans Street</b>			
17	Dec 1st to Dec 31st - heat	\$1,160.00	
18	Mar 1st to Mar 31st - pre cool	\$2,320.00	
19	June 1st to June 30th - cool	\$1,740.00	
20	Sept 1st to Sept 30th - pre heat	\$2,320.00	
<b>Community Center Total</b>			\$7,540.00
<b>Senior Center - 2250 NE McDonald Lane</b>			
21	Dec 1st to Dec 31st - heat	\$580.00	
22	Mar 1st to Mar 31st - pre cool	\$879.00	
23	June 1st to June 30th - cool	\$879.00	
24	Sept 1st to Sept 30th - pre heat	\$1,160.00	
<b>Senior Center Total</b>			\$3,498.00

Bid Item	Service Time	Service Bid Amount
<b>Oregon State Police Building - 3975 Cirrus Avenue</b>		
25	Jan 1st to Jan 31st - heat	\$435.00
26	April 1st to April 30th - pre cool	\$1,160.00
27	July 1st to July 31st - cool	\$435.00
28	Oct 1st to Oct 31st - pre heat	\$1,160.00
<b>Oregon State Police Total</b>		\$3,190.00
<b>Airport Maintenance Hangers - 4000, 4006 &amp; 4010 Cirrus Ave</b>		
29	Oct 1st to Oct 31st - pre heat	\$300.00
<b>Airport Maintenance Hanger Total</b>		\$300.00
<b>Public Works Shops Complex - 1900 NE Riverside Drive</b>		
30	Dec 1st to Dec 31st - heat	\$580.00
31	Mar 1st to Mar 31st - pre cool	\$290.00
32	June 1st to June 30th - cool	\$290.00
33	Sept 1st to Sept 30th - pre heat	\$580.00
<b>Public Works Shops Total</b>		\$1740.00
<b>Civic Hall - 200 SE 2<sup>nd</sup> Street</b>		
31	Jan 1st to Jan 31st - heat	\$290.00
32	April 1st to April 30th - pre cool	\$580.00
33	July 1st to July 31st - cool	\$580.00
34	Oct 1st to Oct 31st - pre heat	\$435.00
<b>Civic Hall Total</b>		\$1,885.00

**Total Amount**

\$27,443.00

~~\$27,479.00~~

**Total Amount**

Estimated hours

Regular Call out Rate (List Days/hours these rates apply)	100	\$ 145.00 /hr	14,500.00
After Hours Call out Rates (List days/hours these rates apply)		\$ 217.50 /hr	
Exclusions to service and/or extra cost items			\$18,750.00

**Total Amount**

Estimated parts

Percent Mark-up on Materials and Parts \$15,000		<u>25</u> %	<del>\$20,000.00</del>
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~~\$61,979.00~~

**Total Base Bid**

(Services Total + Call out Rate Total + Materials and Parts Total)

\$60,693.00

Current Bid  
 City Facility HVAC Preventative Maintenance Services 2022-3

Bid Item	Service Time	Service Bid Amount	Northwest Control	Long Building	MacDonald-Miller
			Company Inc	Technologies Inc	
<b>Public Library - 225 NW Adams Street</b>					
1	Dec 1st to Dec 31st - heat	\$ 1,642.90	\$ 580.00	\$ 1,140.00	
2	Mar 1st to Mar 31st - pre cool	\$ 3,610.90	\$ 1,740.00	\$ 1,512.00	
3	June 1st to June 30th - cool	\$ 1,642.90	\$ 1,160.00	\$ 1,140.00	
4	Sept 1st to Sept 30th - pre heat	\$ 2,954.90	\$ 1,160.00	\$ 2,484.00	
<b>Public Library Total</b>			<b>\$ 9,851.60</b>	<b>Public Library Total \$ 4,640.00</b>	<b>Public Library Total \$ 6,276.00</b>
<b>Chamber of Commerce - 417 NE Adams Street</b>					
5	Jan 1st to Jan 31st - heat	\$ 736.00	\$ 240.00	\$ 675.00	
6	April 1st to April 30th - pre cool	\$ 736.00	\$ 750.00	\$ 675.00	
7	July 1st to July 31st - cool	\$ 736.00	\$ 300.00	\$ 675.00	
8	Oct 1st to Oct 31st - pre heat	\$ 1,392.00	\$ 750.00	\$ 651.00	
<b>Chamber of Commerce Total</b>			<b>\$ 3,600.00</b>	<b>Chamber of Commerce \$ 2,040.00</b>	<b>Chamber of Commerce T \$ 2,676.00</b>
<b>City Hall - 230 NE Second Street</b>					
9	Jan 1st to Jan 31st - heat	\$ 1,403.00	\$ 218.00	\$ 897.00	
10	April 1st to April 30th - pre cool	\$ 1,730.80	\$ 725.00	\$ 933.00	
11	July 1st to July 31st - cool	\$ 1,403.00	\$ 290.00	\$ 885.00	
12	Oct 1st to Oct 31st - pre heat	\$ 2,714.80	\$ 362.00	\$ 933.00	
<b>City Hall Total</b>			<b>\$ 7,251.60</b>	<b>City Hall Total \$ 1,595.00</b>	<b>City Hall Total \$ 3,648.00</b>
<b>Community Development Center - 231 NE Fifth Street</b>					
13	Jan 1st to Jan 31st - heat	\$ 505.40	\$ 145.00	\$ 723.67	
14	April 1st to April 30th - pre cool	\$ 833.40	\$ 290.00	\$ 723.66	
15	July 1st to July 31st - cool	\$ 833.40	\$ 290.00	\$ 723.66	
16	Oct 1st to Oct 31st - pre heat	\$ 833.40	\$ 290.00	\$ 1,369.00	
<b>Community Development Center Total</b>			<b>\$ 3,005.60</b>	<b>CDC Total \$ 1,015.00</b>	<b>CDC Total \$ 3,539.99</b>
<b>Community Center - 600 NE Evans Street</b>					
17	Dec 1st to Dec 31st - heat	\$ 4,959.40	\$ 1,160.00	\$ 4,923.00	
18	Mar 1st to Mar 31st - pre cool	\$ 6,271.40	\$ 2,320.00	\$ 4,515.00	
19	June 1st to June 30th - cool	\$ 4,959.40	\$ 1,740.00	\$ 4,395.00	
20	Sept 1st to Sept 30th - pre heat	\$ 6,271.40	\$ 2,320.00	\$ 6,855.00	
<b>Community Center Total</b>			<b>\$ 22,461.60</b>	<b>Community Center Tot \$ 7,540.00</b>	<b>Community Center Total \$ 20,688.00</b>
<b>Senior Center - 2250 NE McDonald Lane</b>					
21	Dec 1st to Dec 31st - heat	\$ 666.20	\$ 580.00	\$ 1,896.00	
22	Mar 1st to Mar 31st - pre cool	\$ 994.20	\$ 879.00	\$ 1,956.00	
23	June 1st to June 30th - cool	\$ 666.20	\$ 879.00	\$ 1,896.00	
24	Sept 1st to Sept 30th - pre heat	\$ 994.20	\$ 1,160.00	\$ 2,928.00	
<b>Senior Center Total</b>			<b>\$ 3,320.80</b>	<b>Senior Center Total \$ 3,498.00</b>	<b>Senior Center Total \$ 8,676.00</b>
<b>Oregon State Police Building - 3975 Cirrus Avenue</b>					
25	Jan 1st to Jan 31st - heat	\$ 954.60	\$ 435.00	\$ 921.00	
26	April 1st to April 30th - pre cool	\$ 1,282.60	\$ 1,160.00	\$ 2,085.00	
27	July 1st to July 31st - cool	\$ 954.60	\$ 435.00	\$ 1,038.00	
28	Oct 1st to Oct 31st - pre heat	\$ 1,282.60	\$ 1,160.00	\$ 2,076.00	
<b>Oregon State Police Total</b>			<b>\$ 4,474.40</b>	<b>Oregon State Police Tot \$ 3,190.00</b>	<b>Oregon State Police Total \$ 6,120.00</b>
<b>Airport FBO Bldg &amp; Airport Maintenance Hangers - 4000, 4006 &amp; 4010 Cirrus Ave</b>					
29	Oct 1st to Oct 31st - pre heat	\$ 1,482.80	\$ 300.00	\$ 696.00	
<b>Airport FBO &amp; Airport Maintenance Hanger Total</b>			<b>\$ 1,482.80</b>	<b>Airport FBO &amp; Airport N \$ 300.00</b>	<b>Airport FBO &amp; Airport Ma \$ 696.00</b>
<b>Public Works Shops Complex - 1900 NE Riverside Drive</b>					
30	Dec 1st to Dec 31st - heat	\$ 401.00	\$ 580.00	\$ 711.00	
31	Mar 1st to Mar 31st - pre cool	\$ 729.00	\$ 290.00	\$ 747.00	
32	June 1st to June 30th - cool	\$ 401.00	\$ 290.00	\$ 687.00	
33	Sept 1st to Sept 30th - pre heat	\$ 729.00	\$ 580.00	\$ 1,731.00	
<b>Public Works Shops Total</b>			<b>\$ 2,260.00</b>	<b>Public Works Shops Tot \$ 1,740.00</b>	<b>Public Works Shops Total \$ 3,876.00</b>
<b>Civic Hall - 200 SE 2nd St</b>					
31	Dec 1st to Dec 31st - heat	\$ 546.00	\$ 290.00	\$ 1,068.00	
32	Mar 1st to Mar 31st - pre cool	\$ 1,038.00	\$ 580.00	\$ 2,052.00	
33	June 1st to June 30th - cool	\$ 546.00	\$ 580.00	\$ 960.00	
34	Sept 1st to Sept 30th - pre heat	\$ 1,038.00	\$ 435.00	\$ 2,424.00	
<b>Civic Hall Total</b>			<b>\$ 3,168.00</b>	<b>Civic Hall Total \$ 1,885.00</b>	<b>Civic Hall Total \$ 6,504.00</b>
<b>Estimated hours</b>			<b>\$ 60,876.40</b>	<b>\$ 27,443.00</b>	<b>\$ 62,699.99</b>
<b>Total Amount</b>			<b>\$ 16,400.00</b>	<b>\$ 14,500.00</b>	<b>\$ 17,550.00</b>
Regular Call out Rate	100	\$ 164.00	\$ 145.00	\$ 175.50	
(List Days/hours these rates apply)		m-f 6am -4:30pm		\$261 (sat)	
After Hours Call out Rates		\$ 246.00	\$217.50	\$348 (sun & holiday)	
(List days/hours these rates apply)		m-f 4:30pm-6am			
Exclusions to service and/or extra cost items		sat,sun,holidays			
<b>Estimated parts</b>			<b>Total Amount</b>	<b>Total Amount</b>	<b>Total Amount</b>
Percent Mark-up on Materials and Parts	\$15000	15%	\$ 17,250.00	25% \$ 18,750.00	25% \$ 18,750.00
<b>Total Base Bid</b>			<b>\$ 94,526.40</b>	<b>\$ 60,693.00</b>	<b>\$ 98,999.99</b>
(Services' Total + Call out Rate Total + Materials and Parts Total)					
<b>Contract Term Five Year Total</b>			<b>\$ 472,632.00</b>	<b>\$ 303,465.00</b>	<b>\$ 494,999.95</b>

Note: Northwest Control Company Incorporated Service Bid Amount Line items were totaled at the 5 year term inflating the bid significantly. Each line item was adjusted by dividing the total by 5. For Example Civic Hall - 200 SE 2nd St Dec 1st to Dec 31st - Heat line item was bid at \$2,730, I adjusted the number by dividing by 5 to come up with \$546.00  
 This was done with each Service Bid Amount line item



**CITY OF McMINNVILLE**

SOLICITATION DOCUMENTS FOR THE

**City Facility HVAC Preventive Maintenance Services**  
*Project No. 2022-3*

Scott Hill, Mayor

City Council

Remy Drabkin  
Sal Peralta  
Zach Geary

Kellie Menke  
Adam Garvin  
Chris Chenoweth

Jeff Towery - City Manager  
David Renshaw - Public Works Operations Superintendent

Submitter's Name: \_\_\_\_\_

Total Amount of Quote Contained Herein: \_\_\_\_\_

*February 2022*

CITY OF McMinnville, OREGON

**CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES**

Project No. 2022-3

**BID**

TO: Honorable Mayor and City Council  
 City of McMinnville  
 230 NE Second Street  
 McMinnville, Oregon 97128

This Bid is submitted as an offer by the undersigned, having examined the Contract Documents and considered all conditions to be encountered, to enter into a Goods and Services Contract with the City of McMinnville (City) to furnish all labor, materials, and equipment, and to perform all work necessary to complete this project, in accordance with the Contract Documents, in consideration of the amounts stated in this Bid.

**BID AMOUNTS:**

Bid Item	Service Time	Service Bid Amount	
<b>Public Library - 225 NW Adams Street</b>			
1	Dec 1st to Dec 31st - heat	\$580.00	
2	Mar 1st to Mar 31st - pre cool	\$1,740.00	
3	June 1st to June 30th - cool	\$1,160.00	
4	Sept 1st to Sept 30th - pre heat	\$1,160.00	
<b>Public Library Total</b>			<b>\$4,640.00</b>
<b>Chamber of Commerce - 417 NE Adams Street</b>			
5	Jan 1st to Jan 31st - heat	\$240.00	
6	April 1st to April 30th - pre cool	\$750.00	
7	July 1st to July 31st - cool	\$300.00	
8	Oct 1st to Oct 31st - pre heat	\$750.00	
<b>Chamber of Commerce Total</b>			<b>\$2,040.00</b>
<b>City Hall - 230 NE Second Street</b>			
9	Jan 1st to Jan 31st - heat	\$218.00	
10	April 1st to April 30th - pre cool	\$725.00	
11	July 1st to July 31st - cool	\$290.00	
12	Oct 1st to Oct 31st - pre heat	\$362.00	
<b>City Hall Total</b>			<b>\$1,595.00</b>

<b>Community Development Center - 231 NE Fifth Street</b>		
13	Jan 1st to Jan 31st - heat	\$145.00
14	April 1st to April 30th - pre cool	\$290.00
15	July 1st to July 31st - cool	\$290.00
16	Oct 1st to Oct 31st - pre heat	\$290.00
<b>Community Development Center Total</b>		\$1,015.00
<b>Community Center - 600 NE Evans Street</b>		
17	Dec 1st to Dec 31st - heat	\$1,160.00
18	Mar 1st to Mar 31st - pre cool	\$2,320.00
19	June 1st to June 30th - cool	\$1,740.00
20	Sept 1st to Sept 30th - pre heat	\$2,320.00
<b>Community Center Total</b>		\$7,540.00
<b>Senior Center - 2250 NE McDonald Lane</b>		
21	Dec 1st to Dec 31st - heat	\$580.00
22	Mar 1st to Mar 31st - pre cool	\$879.00
23	June 1st to June 30th - cool	\$879.00
24	Sept 1st to Sept 30th - pre heat	\$1,160.00
<b>Senior Center Total</b>		\$3,498.00
Bid Item	Service Time	Service Bid Amount
<b>Oregon State Police Building - 3975 Cirrus Avenue</b>		
25	Jan 1st to Jan 31st - heat	\$435.00
26	April 1st to April 30th - pre cool	\$1,160.00
27	July 1st to July 31st - cool	\$435.00
28	Oct 1st to Oct 31st - pre heat	\$1,160.00
<b>Oregon State Police Total</b>		\$3,190.00
<b>Airport Maintenance Hangers - 4000, 4006 &amp; 4010 Cirrus Ave</b>		
29	Oct 1st to Oct 31st - pre heat	\$300.00
<b>Airport Maintenance Hanger Total</b>		\$300.00
<b>Public Works Shops Complex - 1900 NE Riverside Drive</b>		
30	Dec 1st to Dec 31st - heat	\$580.00
31	Mar 1st to Mar 31st - pre cool	\$290.00
32	June 1st to June 30th - cool	\$290.00
33	Sept 1st to Sept 30th - pre heat	\$580.00
<b>Public Works Shops Total</b>		\$1740.00
<b>Civic Hall - 200 SE 2<sup>nd</sup> Street</b>		
31	Jan 1st to Jan 31st - heat	\$290.00
32	April 1st to April 30th - pre cool	\$580.00
33	July 1st to July 31st - cool	\$580.00



34	Oct 1st to Oct 31st - pre heat	\$435.00	
<b>Civic Hall Total</b>			\$1,885.00

**\$27,443.00**

**Total Amount**

~~\$27,479.00~~

**Total Amount**

Estimated hours

Regular Call out Rate (List Days/hours these rates apply)	100	\$ 145.00 /hr	14,500.00
After Hours Call out Rates (List days/hours these rates apply)		\$ 217.50 /hr	
Exclusions to service and/or extra cost items			<b>\$18,750.00</b>

Estimated parts

**Total Amount**

Percent Mark-up on Materials and Parts \$15,000	25 %	<del>\$20,000.00</del>
--	------	------------------------

**Total Base Bid**

(Services Total + Call out Rate Total + Materials and Parts Total)

~~\$61,979.00~~

**\$60,693.00**

All blanks on the Bid must be completed by clearly printing in ink or by typewriter. Changes may be made provided that the Bidder initials all changes.

All items in the Bid form shall be completed in full showing a unit or lump sum price or prices for each and every item. The price per item shall be clearly shown in the space provided. The pricing shall be extended to show the total when required.

The extensions in the column headed "TOTAL COST" are made for the sole purpose of facilitating Bid comparisons and if there are any discrepancies between the unit prices and the total amount shown, the unit prices shall govern.

**BID BOND:**

Accompanying this Bid is a certified check, cashier's check or bid bond payable to the City of McMinnville, Oregon, in the sum of \_\_\_\_\_ Dollars (\$ 6,198.00 ), said amount being equal to ten percent (10%) of the Total Bid Amount, based on the foregoing prices. If this bid shall be accepted by the City of McMinnville and the undersigned shall fail to execute a satisfactory Goods and Services

Contract, performance bond, and payment bond within seven (7) days from the date of the Notice of Award, then the City may, at its option, determine that the undersigned has abandoned the Contract and thereupon this bid shall be null and void, and the above check or bond accompanying this bid shall be forfeited to and become the property of the City.

**PUBLIC WORKS BOND:**

For projects over \$100,000, before starting work on a contract or subcontract for a public works project, a contractor or subcontractor shall comply with the requirements of ORS 279C.836 and related Oregon Administrative Rules, pertaining to the filing of a Public Works Bond.

**PREVAILING WAGE STATEMENT:**

The undersigned Bidder declares by the signing of this Bid that the provisions required by ORS 279C.840 pertaining to prevailing wage rates are included in this Bid, and that the Bidder will comply with said requirements throughout the duration of the contract.

**RESIDENT/NONRESIDENT BIDDER STATUS:**

Oregon law requires that the City, in determining the lowest responsive Bidder, must add a percent increase on the bid of a nonresident Bidder equal to the percent, if any, of the preference given to that Bidder in the state in which that Bidder resides. Consequently, each Bidder must indicate whether it is a resident or nonresident Bidder. A resident Bidder is a Bidder that has paid unemployment taxes or income taxes in the state of Oregon during the 12 calendar months immediately preceding submission of this Bid, has a business address in Oregon, and has stated in its Bid whether the Bidder is a "resident bidder". A "nonresident bidder" is a Bidder who is not a resident bidder.

The Bidder listed above is (check one):

1. A resident bidder

2. A nonresident bidder

Indicate state in which Bidder resides: Oregon

**NON-DISCRIMINATION STATEMENT:**

By signing and submitting a Bid to the City, Bidder certifies that bidder has not discriminated and will not discriminate against a disadvantaged business enterprise, a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns or an emerging small business in awarding a subcontract.

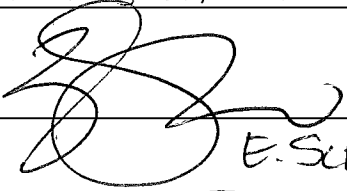
**ADDENDA:**

By signing and submitting this Bid to the City, Bidder represents that it has examined and carefully studied the Contract Documents, and other data identified in the Contract Documents, and the following Addenda, receipt of which is hereby acknowledged:

<b>ADDENDUM NO.</b>	<b>ADDENDUM DATE</b>
N/A	

**SIGNATURE OF BIDDER:**

Name of Bidder: LONG Building Technologies, Inc.

Signature of Authorized Agent:  E. SCHENCK 4/7/2022  
(Date)

Title: BRANCH MANAGER

(SEAL) Business Address: 5000 SE 25th Ave.  
Portland, OR 97202

Phone #: 302-575-2020

Construction Contractors Board Registration No.: 206592

Workers Comp. Insurance Company: Travelers Casualty Ins Co of America

Workers Comp. Policy/Binder Number: UB-9P669324-21-26-G

CITY OF McMinnville, Oregon

CITY FACILITY HVAC PREVENTIVE MAINTENANCE SERVICES

Project No. 2022-3

BID BOND \*

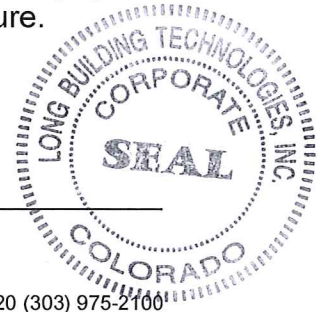
KNOW ALL PERSONS BY THESE PRESENTS, that LONG BUILDING TECHNOLOGIES, INC. hereinafter called the PRINCIPAL, and HARTFORD FIRE INSURANCE COMPANY a corporation duly organized under the laws of the State of Connecticut having its principal place of business at One Hartford Plaza, Hartford, Connecticut 06155-0001 in the State of Connecticut, and authorized to do business in the State of Oregon, as SURETY, are held and firmly bound unto the City of McMinnville, a Municipal Corporation of the State of Oregon, acting by and through its City Council, hereinafter called the OBLIGEE, in the penal sum of Ten Percent (10%) of the Total Amount of the Bid Dollars (\$ 6198.00 ), for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presence.

THE CONDITION OF THIS BOND IS SUCH THAT:

NOW, THEREFORE, if the Bid submitted by the PRINCIPAL is accepted, and the Contract awarded to the PRINCIPAL, and if the PRINCIPAL shall execute the proposed Contract and shall furnish such Performance Bond as required by the Contract Documents within the time fixed by the Documents, then this obligation shall be void; if the PRINCIPAL shall fail to execute the proposed Contract and furnish the bond, the SURETY hereby agrees to pay to the OBLIGEE the penal sum as liquidated damages, within ten (10) days of such failure.

Signed and sealed this day of April 7, 2022.

LONG BUILDING TECHNOLOGIES, INC. [Signature] Principal



5001 South Zuni Street, Littleton, Colorado 80120 (303) 975-2100 Address / Phone #

Countersigned

[Signature] Kimberly Payton, Longmont, Colorado

HARTFORD FIRE INSURANCE COMPANY Surety

[Signature] Douglas J. Rothey, Attorney-in-Fact

\* Surety companies executing bid bond must be currently authorized to transact business in the State of Oregon.

# POWER OF ATTORNEY

Direct Inquiries/Claims to:

**THE HARTFORD**  
 BOND, T-11  
 One Hartford Plaza  
 Hartford, Connecticut 06155  
[Bond.Claims@thehartford.com](mailto:Bond.Claims@thehartford.com)

call: 888-266-3488 or fax: 860-757-5835

KNOW ALL PERSONS BY THESE PRESENTS THAT:

Agency Name: SURESCAPE INSURANCE SERVICES LLC  
 Agency Code: 34-344525

- Hartford Fire Insurance Company, a corporation duly organized under the laws of the State of Connecticut
- Hartford Casualty Insurance Company, a corporation duly organized under the laws of the State of Indiana
- Hartford Accident and Indemnity Company, a corporation duly organized under the laws of the State of Connecticut
- Hartford Underwriters Insurance Company, a corporation duly organized under the laws of the State of Connecticut
- Twin City Fire Insurance Company, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of Illinois, a corporation duly organized under the laws of the State of Illinois
- Hartford Insurance Company of the Midwest, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of the Southeast, a corporation duly organized under the laws of the State of Florida

having their home office in Hartford, Connecticut, (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, **up to the amount of Unlimited :**

Cynthia M. Burnett, Kimberly Payton, Douglas J. Rothey of LITTLETON, Colorado

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by , and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on May 23, 2016 the Companies have caused these presents to be signed by its Assistant Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



*Shelby Wiggins*

Shelby Wiggins, Assistant Secretary

*Joelle L. LaPierre*

Joelle L. LaPierre, Assistant Vice President

STATE OF FLORIDA

COUNTY OF SEMINOLE

} ss. Lake Mary

On this 13th day of February, 2020, before me personally came Joelle LaPierre, to me known, who being by me duly sworn, did depose and say: that (s)he resides in Seminole County, State of Florida; that (s)he is the Assistant Vice President of the Companies, the corporations described in and which executed the above instrument; that (s)he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that (s)he signed his/her name thereto by like authority.



*Jessica Ciccone*

Jessica Noelle Ciccone  
 My Commission #FF029702  
 Expires June 20, 2021

I, the undersigned, Assistant Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of April 7, 2022.

Signed and sealed in Lake Mary, Florida.



*Keith D. Dozois*

Keith D. Dozois, Assistant Vice President

## Liquor License Recommendation

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BUSINESS NAME / INDIVIDUAL: Heater Allen LLC dba: Heater Allen Brewing  
BUSINESS LOCATION ADDRESS: 907-909 NE 10<sup>th</sup> Street  
LIQUOR LICENSE TYPE: Brewery-Public House (BPH) 1<sup>st</sup> Location

Is the business at this location currently licensed by OLCC

Yes  No

If yes, what is the name of the existing business:

-----

Hours of operation: Friday 2pm to 7pm, Saturday 12pm to 6pm  
Entertainment: N/A  
Hours of Music: Hours of operation  
Seating Count: 48

EXEMPTIONS:  
(list any exemptions)

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Tritech Records Management System Check: Yes  No   
Criminal Records Check: Yes  No   
Recommended Action: Approve  Disapprove



Chief of Police / Designee

City Manager / Designee



OREGON LIQUOR CONTROL COMMISSION

# LIQUOR LICENSE APPLICATION

[PRINT FORM](#)
[RESET FORM](#)

1. Application. **Do not include** any OLCC fees with your application packet (the license fee will be collected at a later time). Application is being made for:

License Applied For:	CITY AND COUNTY USE ONLY	
<input type="checkbox"/> Brewery 1 <sup>st</sup> Location	Date application received and/or date stamp: <u>5/19/2022</u>	
Brewery Additional location (2 <sup>nd</sup> ) <input type="checkbox"/> (3 <sup>rd</sup> ) <input type="checkbox"/>		
<input checked="" type="checkbox"/> Brewery-Public House (BPH) 1 <sup>st</sup> location		
BPH Additional location (2 <sup>nd</sup> ) <input type="checkbox"/> (3 <sup>rd</sup> ) <input type="checkbox"/>		
<input type="checkbox"/> Distillery		Name of City or County: _____
<input type="checkbox"/> Full On-Premises, Commercial		Recommends this license be:
<input type="checkbox"/> Full On-Premises, Caterer		<input type="checkbox"/> Granted <input type="checkbox"/> Denied
<input type="checkbox"/> Full On-Premises, Passenger Carrier		By: _____
<input type="checkbox"/> Full On-Premises, Other Public Location		Date: _____
<input type="checkbox"/> Full On-Premises, For Profit Private Club		
<input type="checkbox"/> Full On-Premises, Nonprofit Private Club		
<input type="checkbox"/> Grower Sales Privilege (GSP) 1 <sup>st</sup> location		
GSP Additional location (2 <sup>nd</sup> ) <input type="checkbox"/> (3 <sup>rd</sup> ) <input type="checkbox"/>		
<input type="checkbox"/> Limited On-Premises		
<input type="checkbox"/> Off-Premises		
<input type="checkbox"/> Warehouse		
<input type="checkbox"/> Wholesale Malt Beverage & Wine		
<input type="checkbox"/> Winery 1 <sup>st</sup> Location		
Winery Additional location (2 <sup>nd</sup> ) <input type="checkbox"/> (3 <sup>rd</sup> ) <input type="checkbox"/> (4 <sup>th</sup> ) <input type="checkbox"/> (5 <sup>th</sup> ) <input type="checkbox"/>		
	<b>OLCC USE ONLY</b> Date application received: <u>04/05/2022</u> Date application accepted: <u>04/05/2022</u>  License Action(s): <u>C/O</u>	

2. Identify the applicant(s) applying for the license(s). **ENTITY (example: corporation or LLC) or INDIVIDUAL(S)**<sup>1</sup> applying for the license(s):

Heater Allen, LLC

App #1: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #2: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #3: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #4: NAME OF ENTITY OR INDIVIDUAL APPLICANT

<b>3. Trade Name of the Business (Name Customers Will See)</b> Heater Allen Brewing		
<b>4. Business Address (Number and Street Address of the Location that will have the liquor license)</b> -909 907 NE 10th Ave.		
City McMinnville	County OR Yamhill	Zip Code 97128

<sup>1</sup> **Read the instructions on page 1 carefully.** If an entity is applying for the license, list the name of the entity as an applicant. If an individual is applying as a sole proprietor (no entity), list the individual as an applicant.

## STAFF REPORT

**DATE:** May 24, 2022  
**TO:** McMinnville Contract Review Board  
**FROM:** Heather Richards, Planning Director  
**SUBJECT:** Resolution No. 2022-35, Agreement with YCAP for the Construction and Operation of the McMinnville Navigation Center

### STRATEGIC PRIORITY & GOAL:



**HOUSING OPPORTUNITIES** (ACROSS THE INCOME SPECTRUM)  
Create diverse housing opportunities that support great neighborhoods.

**OBJECTIVE/S:** Collaborate to improve the financial feasibility of diverse housing development opportunities

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### **Report in Brief:**

This is the consideration of Resolution No. 2022-35 authorizing the City Manager to sign an agreement with Yamhill Community Action Partnership (YCAP) to construct a Navigation Center at 327 and 329 SW Adams Street and then hand over the Navigation Center to YCAP to own and operate.

### **Background:**

In 2021, the Oregon Legislature passed HB 2006, which identified the need for emergency shelter in Oregon for Oregon's houseless population. The bill directs cities to permit the siting of an emergency shelter without invoking land-use provisions from the date of the bill passage until June 30, 2022. Under this provision the emergency shelter needs to provide sleeping and restroom facilities for homeless people, has adequate transportation access to commercial and medical services, will not pose any unreasonable risk to public health and safety, and needs to be operated by either the local government or a non-profit agency with at least two years of experience operating an emergency shelter and is a local housing authority, religious corporation or a public benefit corporation. Then after the emergency shelter is permitted it needs to be operational within two years of the permit.

HB 2006 also introduced the concept of "Navigation Centers", an emergency low barrier shelter with on-site supportive services. Navigation Centers are open seven days a week,



and connects homeless individuals and families with health services, permanent housing and public benefits.

In 2021, the Oregon Legislature passed HB 5024 that provided \$1,500,000 to the City of McMinnville for a Navigation Center.

The City of McMinnville formed a small committee of stakeholders from the Affordable Housing Committee to start identifying potential locations and operators for a Navigation Center that would meet all of the elements described in HB 2006.

YCAP became the obvious choice for the operator given their experience in operating emergency shelters in McMinnville. Then, after looking at several properties in town, the committee elected to evaluate the two properties owned by YCAP on SW Adams Street (327 and 329 SW Adams Street), as the potential location for a Navigation Center.

After engaging some local contractors and the Building Official to walk the site and discuss the opportunities for remodeling and expansion, the committee elected to start drafting an agreement to memorialize this relationship with YCAP.

**Discussion:**

The attached draft agreement memorializes the relationship between the City of McMinnville and YCAP for the construction and operation of a Navigation Center at 237 and 239 SW Adams Street. The City would manage the construction project and then had it over to YCAP for ownership and operation at the time that the Certificate of Final Occupancy is issued.

There is one structure on both 327 and 329 SW Adams Street that have been used as temporary housing for homeless families in the past.

The Navigation Center (hereinafter referenced as “AnyDoor Place”) will remodel these two structures and construct an addition that connects both structures to expand the facility square footage on the site.

The attached agreement also provides approval for YCAP to site an emergency shelter at 327 and 329 SW Adams Street without going through a land-use process per HB 2006 if the shelter is built and operational within two years of the date of the agreement.

**Attachments:**

1. Resolution No. 2022-35
2. Draft Agreement with YCAP for the McMinnville Navigation Center

**Fiscal Impact:**

The City of McMinnville received \$1,500,000 for a McMinnville Navigation Center from the State of Oregon in 2021.

**Recommendation**

Staff recommends approval of Resolution No. 2022-35.

**RESOLUTION NO. 2022 - 35**

A Resolution authorizing the City Manager to sign an agreement with Yamhill Community Action Partnership to build a Navigation Center (hereinafter referred to as "AnyDoor Place") on their property at 327 and 329 SW Adams Street, and to operate it.

**RECITALS**

**WHEREAS**, the City of McMinnville has hundreds of residents who are currently experiencing homelessness without emergency shelter opportunities available to them; and

**WHEREAS**, the 2021 Oregon Legislature passed HB 2006, a bill describing the need for emergency shelter in Oregon for individuals without shelter and determining the need to build these emergency shelters as soon as possible; and

**WHEREAS**, HB 2006 defined a "Navigation Center" as an emergency homeless shelter; and

**WHEREAS**, the City of McMinnville was awarded \$1,500,000 for a Navigation Center in HB 5024 in the 2021 Oregon Legislature; and

**WHEREAS**, the City of McMinnville wants to partner with the Yamhill Community Action Partnership (YCAP) to build the Navigation Center on their property at 327 and 329 SW Adams Street, and to have YCAP operate the facility; and

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

1. Authorizes the City Manager to sign the attached agreement with Yamhill Community Action Partnership.
2. This Resolution will take effect immediately upon its passage and approval by the Mayor.

Adopted by the Common Council of the City of McMinnville serving as the McMinnville Contract Review Board at a regular meeting held the 24<sup>th</sup> day of May 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 24th day of May 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
Interim City Attorney

\_\_\_\_\_  
City Recorder

## NAVIGATION CENTER CONSTRUCTION AND OPERATION AGREEMENT

This Navigation Center Construction and Operation Agreement (“Agreement”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2022 (“Effective Date”) between the **City of McMinnville**, a municipal corporation of the State of Oregon (“City”) and **Yamhill Community Action Partnership**, an Oregon non-profit corporation (“YCAP”).

### RECITALS

Whereas, the City received grant funding from the State of Oregon to construct and operate a navigation center that serves as a low-barrier emergency shelter and that connects individuals and families with health services, permanent housing, and public benefits (“Navigation Center”); and

Whereas, YCAP serves unhoused community members and helps connects people with social services; and

Whereas, YCAP currently operates a facility within the city limits that, with renovations, can operate as a Navigation Center; and

Whereas, the City and YCAP desire to collaborate to operationalize the Navigation Center; and

Whereas, the City intends to procure design and construction services to renovate YCAP’s facility and YCAP intends to operate the facility as a Navigation Center and provide related services through the Navigation Center.

Now, therefore, incorporating the above Recitals as if fully set forth below, it is understood and agreed:

### AGREEMENT

1. **Term.** The term of this Agreement will be from the Effective Date through \_\_\_\_\_. The parties may agree to extend this Agreement in five-year increments.

2. **Transfer to YCAP.** Completion of construction and transfer of the Navigation Center to YCAP will occur on \_\_\_\_\_ or once construction is completed (“Transfer Date”). As of the Transfer Date, YCAP will own and operate the Navigation Center pursuant to the obligations set forth in **Exhibit A** attached hereto and incorporated by reference herein and pursuant to the terms of this Agreement and to the grant provided by the State of Oregon. The location of the Navigation Center is described in **Exhibit A**.

3. **Navigation Center Improvements/Scope of Construction.** The City is responsible for all costs associated with renovation of the Navigation Center. The City will retain design and construction services from third parties who will be responsible for the design and

construction of the Navigation Center (collectively referred to herein as “Contractor”). YCAP will be named by the Contractor as an additional insured. The design and construction contract(s) will be between the City and the Contractor (“Contract”).

4. **Project Management.** The Project Manager for YCAP is \_\_\_\_\_ . The Project Manager for the City is Heather Richards, Planning Director.

5. **Communication.** The City’s Project Manager shall coordinate regularly (not less than monthly) with YCAP’s Project Manager regarding construction progress and issues encountered. At a minimum, this will consist of a telephone call but may include in-person meetings with the Contractor, as requested by the City or YCAP. Prior to commencement of any construction, a construction kick-off meeting will be held, with the City’s Contractor and architect/engineer, YCAP’s Project Manager, and the City’s Project Manager all present.

6. **Design.** The City’s Project Manager shall review and approve or reject all proposed designs and design changes prior to those changes being made. While YCAP may provide input regarding design, the City, in its sole and absolute discretion, may make any and all design decisions or changes.

7. **Construction Timeline.** The City will provide YCAP’s Project Manager a construction timeline prior to commencing construction. Construction of the Navigation Center is estimated to be completed no later than \_\_\_\_\_. The City will be responsible for obtaining all necessary permits and paying all fees, charges, and costs associated with the design and construction of the Navigation Center.

8. **Substantial Completion.** The City and YCAP will coordinate an inspection walkthrough to create a single punch list. Substantial completion means that the Navigation Center is constructed and is ready to use, with only minor punch list items remaining that do not significantly impact the Navigation Center or its use.

9. **Final Completion.** Unless otherwise agreed to, in writing, by both parties, the punch list items will be completed within thirty (30) days thereof, and then a final walk-through will occur by the parties to confirm all punch list items have been completed. Upon final completion, the Navigation Center will be owned and maintained by YCAP and will be open to the public.

10. **Ongoing Maintenance.** YCAP is solely responsible for maintaining the Navigation Center upon final completion. YCAP will maintain the Navigation Center and its improvements in good condition, respectful of its purpose.

11. **Changes to Navigation Center, Notification.** Before making any significant changes in the structure or operation of the Navigation Center, YCAP agrees to notify and consult with the City.

12. **Grant of Right of Entry.** YCAP conveys to the City and its employees, agents, contractors, and representatives the right to enter upon YCAP’s property in relation to the

renovation of the Navigation Center. The City will coordinate with YCAP regarding entry on YCAP's property, and YCAP agrees to not arbitrarily deny access to its property where the Navigation Center will be located.

13. **Consideration.** The consideration given for this Agreement is Zero Dollars, but consists of or includes other property or value given or promised, which is agreed by YCAP to be the whole and adequate consideration.

14. **Default.** In the event of a breach of this Agreement, the parties shall have available to them any and all remedies available at law or in equity. Failure to maintain and operate the Navigation Center consistent with this Agreement and the grant funding provided by the State of Oregon will be a material breach of this Agreement and will result in termination of this Agreement. Should YCAP discontinue operating the Navigation Center consistent with this Agreement and/or the state grant funding, YCAP will repay all costs incurred by the City for construction of the Navigation Center, in addition to any other costs, fees, or damages for which the City may seek compensation.

15. **Miscellaneous Provisions.**

15.1. **Integration.** This Agreement contains the entire agreement between the parties and supersedes all prior written or oral discussions or representations.

15.2. **Legal Effect and Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Agreement may be enforced by an action at law or in equity.

15.3. **No Assignment.** YCAP may not assign this Agreement, nor delegate the performance of any obligations hereunder, unless agreed to in advance and in writing by the City.

15.4. **Laws of Oregon.** This Agreement shall be governed by the laws of the State of Oregon. The parties agree to submit to the jurisdiction of the courts of the State of Oregon and to file any litigation concerning this Agreement in Yamhill County Circuit Court.

15.5. **Nonwaiver.** Failure by either party at any time to require performance by the other party of any of the provisions of this Agreement shall in no way affect the party's rights hereunder to enforce the same, nor shall any waiver by the party of the breach hereof be held to be a waiver of any succeeding breach or a waiver of this nonwaiver clause

15.6. **Severability.** If any part of this Agreement is adjudged void, that determination does not affect the validity or operation of any other part which, in itself, is valid if the remaining parts of the Agreement would then continue to conform with the requirements of applicable law and the intent of this Agreement as set forth herein.

15.7. **Modification.** This Agreement may not be modified except by written instrument executed by YCAP and the City.

15.8. **Time of the Essence.** Time is expressly made of the essence in the performance of this Agreement.

15.9. **Headings.** Any titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

15.10. **Good Faith and Reasonableness.** The parties intend that the obligations of good faith and fair dealing apply to this Agreement generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Agreement.

15.11. **Other Necessary Acts.** Each party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other parties the full and complete enjoyment of rights and privileges hereunder.

15.12. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original contract but all of which together shall constitute one and the same instrument.

15.13. **Authority.** Each party signing on behalf of YCAP and the City hereby warrants actual authority to bind their respective party.

15.14. **Land-Use Exemption:** Per HB 2006 (2021 Oregon Legislature), the Navigation Center at 327 and 329 Adams Street is exempt from land-use regulations if this agreement is signed prior to June 30, 2022.

**YAMHILL COMMUNITY  
ACTION PARTNERSHIP**

**CITY OF MCMINNVILLE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

As Its: \_\_\_\_\_

As Its: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney  
City of McMinnville, Oregon

**EXHIBIT A:**

***Operational Requirements of the McMinnville Navigation Center Project:***

A building or cluster of buildings that provide shelter on a temporary basis for individuals and families who lack permanent housing as a low barrier emergency shelter open seven days/week with the following amenities:

No cost restroom and hygiene facilities, laundry facilities, dining facilities, storage for personal property, meeting or gathering spaces, and case management services for individuals and families who are homeless.

***Location of the McMinnville Navigation Center Project:*** 327 (Tax Lot R4420DA03300) and 329 SW Adams Street (Tax Lot R4420DA03400)

DRAFT



## NAVIGATION CENTER CONSTRUCTION AND OPERATION AGREEMENT

This Navigation Center Construction and Operation Agreement (“Agreement”) is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2022 (“Effective Date”) between the **City of McMinnville**, a municipal corporation of the State of Oregon (“City”) and **Yamhill Community Action Partnership**, an Oregon non-profit corporation (“YCAP”).

### RECITALS

Whereas, the City received grant funding from the State of Oregon to construct and operate a navigation center that serves as a low-barrier emergency shelter and that assists individuals and families with access to health services, permanent housing, and public benefits (“Navigation Center”); and

Whereas, YCAP as part of its mission to advocate for and assist persons toward self-sufficiency serves and connects people with social services and housing; and

Whereas, YCAP currently owns certain real property located at 327 and 329 SW Adams Street (Tax Lots R4420DA03300 and R4420DA03400) (the “Property”) and operates a facility within the City of McMinnville that, with renovations, can operate as a Navigation Center; and

Whereas, the City and YCAP desire to collaborate to construct and operationalize the Navigation Center; and

Whereas, the City intends to procure design and construction services to renovate YCAP’s facility and YCAP intends to operate the facility as a Navigation Center and provide related services through the Navigation Center.

Now, therefore, incorporating the above Recitals as if fully set forth below, it is understood and agreed:

### AGREEMENT

1. **Term; Use of Funds.** The term of this Agreement will be from the Effective Date through \_\_\_\_\_, 2024. The parties may agree to extend this Agreement in order to complete construction of the Navigation Center by the City or expend City grant funds as provided herein. YCAP may apply for and receive additional funds for the construction of the Navigation Center. In the event additional funds are obtained by YCAP for construction of the Navigation Center, any excess of City grant funds described under this agreement will be re-allocated for operational use by YCAP, provided that such expenditures comply with applicable law. However, any excess funds will not be transferred to YCAP until after Final Completion of the Navigation Center, as defined below.

2. **Start of Construction; Transfer to YCAP.** Upon sixty (60) days’ notice, YCAP will vacate its current facility for the term of construction under this agreement. Once the construction of the Navigation Center is substantially complete as provided hereunder, City will transfer all title, right, and interest it has in the Navigation Center to YCAP. Such transfer will occur on or before

\_\_\_\_\_ (“Transfer Date”). If City has not delivered re-possession of the Navigation Center or real property on or before the Transfer Date, YCAP may issue a written order for City to stop work on the construction of the Navigation Center, or any portion thereof. If the City defaults or substantially fails or neglects to carry out the construction of the Navigation Center in accordance with this agreement or the agreements between the parties, YCAP may commence and continue correction of any default or neglect with diligence and promptness, without prejudice to any other remedy that YCAP may have, may correct such deficiencies and may charge the City for the reasonable cost thereof, including but not limited to YCAP’s attorneys’ fees and other expenses.

As of the Transfer Date, YCAP will own and operate the Navigation Center pursuant to the obligations and terms set forth in **Exhibit A** attached hereto and incorporated by reference herein and pursuant to the terms of the grant provided by the State of Oregon.

3. **Navigation Center Improvements/Scope of Construction.** The City is responsible for all costs associated with renovation of the Navigation Center. The City will retain design and construction services from third parties who will be responsible for the design and construction of the Navigation Center (collectively referred to herein as “Contractor”); provided however, such design and services shall be subject to approval by YCAP in its reasonable discretion. City shall be responsible for ensuring the Contractor completes construction in accordance with industry standards, and complies with applicable laws, rules, and/or regulations. In order to do so, the City may use grant funds to contract with a project manager. All warranties of construction shall be transferred to YCAP on the Transfer Date. City shall obtain from Contractor a written warranty for the construction, placement, and workmanship of the Navigation Center against any failure and/or defect in construction or workmanship for a period of at least one year. City shall keep and maintain throughout the term of this agreement, adequate comprehensive liability and property insurance policies fully insuring the City and YCAP against liability imposed by law or assumed hereunder for injury to or death of any persons or for the loss of or damages to property or use thereof. City shall not cancel the same without first giving YCAP a thirty day written notice of such cancellation. Such insurance shall cover all risks arising directly or indirectly out of City’s activities on or any condition of the property, and shall protect City and YCAP against claims of third persons. City shall cause Contractor to name YCAP as an additional insured under Contractor’s insurance policies as provided in the construction Contract. Contractor shall have coverage in amounts and on the terms as required by the City. The design and construction contract(s) will be between the City and the Contractor (“Contract”).

4. **Project Management.** The Project Manager for YCAP is \_\_\_\_\_ . The Project Manager for the City is Heather Richards, Planning Director.

5. **Indemnification.** To the fullest extent permitted by law and the limitations provided in the Oregon Tort Claims Act, each party to this agreement shall defend, indemnify, and hold harmless the other party, its officers, agents and employees from and against any and all claims, damages, losses and expenses, including but not limited to attorneys’ fees, arising out of or resulting from performance of that party’s obligations hereunder, including those arising out of the Contract between City and Contractor.

6. **Liens.** City shall pay promptly all valid bills and charges for material, labor or otherwise in connection with or arising out of the construction of said structure and will defend, indemnify, and hold YCAP's property free and harmless against all liens and claims of lien for labor and material, or either of them, filed against the property or any part thereof, and from and against all expense and liability in connection therewith, including, but not limited to court costs and reasonable attorneys' fees resulting or arising there from. Should any liens or claims of liens be filed of record against the property, or should the YCAP receive notice of any unpaid bill or charge in connection with the construction, City shall forthwith either pay or otherwise cause at its expense the same to be released of record within in thirty (30) days after receipt of written demand from YCAP or knowledge thereof. City shall remove such lien by paying the claim, by furnishing and perfecting a release bond or deposit pursuant to applicable law or by other means acceptable to YCAP in its sole discretion. If City fails to perform its obligation to remove such lien, YCAP may do so at City's expense.

7. **Sale or Mortgage of the Property.** YCAP shall not sell or pledge the Property or any improvements thereon without the written consent of the City during the term of this agreement, which shall not be withheld unreasonably.

8. **Communication.** The City's Project Manager shall coordinate regularly (not less than monthly) with YCAP's Project Manager regarding construction progress and issues encountered. At a minimum, this will consist of a telephone call but may include in-person meetings with the Contractor, as requested by the City or YCAP. Prior to commencement of any construction, a construction kick-off meeting will be held, with the City's Contractor and architect/engineer, YCAP's Project Manager, and the City's Project Manager all present.

9. **Design.** The City's Project Manager and YCAP shall review and approve or reject all proposed designs and design changes prior to those changes being made.

10. **Construction Timeline.** The City will provide YCAP's Project Manager a construction timeline prior to commencing construction. Construction of the Navigation Center is estimated to be completed no later than \_\_\_\_\_. The City will be responsible for obtaining all necessary permits and paying all fees, charges, and costs associated with the design and construction of the Navigation Center.

11. **Substantial Completion.** Substantial completion shall be when all applicable laws, rules, and regulations are complied with, including obtaining a certificate of occupancy, although minor items may remain to be installed, finished, or corrected. The City and YCAP will coordinate an inspection walkthrough to create a single punch list. Substantial completion means that the Navigation Center is constructed and is ready to use for its intended purpose, with only minor punch list items remaining that do not significantly impact the Navigation Center or its use.

12. **Final Completion.** Unless otherwise agreed to, in writing, by both parties, the punch list items will be completed within thirty (30) days of Substantial Completion, and then a final walk-through will occur by the parties to confirm all punch list items have been completed. Upon final completion, the Navigation Center will be owned and maintained by YCAP and will be open to the public.

13. **Ongoing Maintenance.** YCAP is solely responsible for maintaining the Navigation Center upon final completion. YCAP will maintain the Navigation Center and its improvements in good condition, respectful of its purpose.

14. **Changes to Navigation Center, Notification.** Before making any significant changes in the structure or operation of the Navigation Center during the term of this agreement, YCAP agrees to notify and consult with the City. To the extent any change to the structure or operation of the Navigation Center triggers an obligation to repay the grant funds during the term of this agreement, YCAP will be solely responsible for the repayment of the funds. If YCAP fails to do so, the City may repay those funds and seek recovery of those funds from YCAP, as well as any reasonable cost incurred by the City, including but not limited to the City's attorneys' fees and other expenses.

15. **Grant of Right of Entry.** YCAP conveys to the City and its employees, agents, contractors, and representatives the right to enter upon the Property in relation to the renovation of the Navigation Center. The City will coordinate with YCAP regarding entry on the Property, and YCAP agrees to not arbitrarily deny access to the Property where the Navigation Center will be located.

16. **Consideration.** The consideration given for this Agreement is Zero Dollars, but consists of or includes other property or value given or promised, which is agreed by YCAP to be the whole and adequate consideration.

17. **Default.** In the event of a breach of this Agreement, the parties shall have available to them any and all remedies available at law or in equity. Failure to maintain and operate the Navigation Center consistent with this Agreement and the grant funding provided by the State of Oregon will be a material breach of this Agreement and will result in termination of this Agreement. Should YCAP discontinue operating the Navigation Center consistent with this Agreement and/or the state grant funding, YCAP will repay all costs incurred by the City for construction of the Navigation Center, in addition to any other costs, fees, or damages for which the City may seek compensation.

18. **Miscellaneous Provisions.**

15.1. **Integration.** This Agreement contains the entire agreement between the parties and supersedes all prior written or oral discussions or representations.

25.1. **Legal Effect and Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Agreement may be enforced by an action at law or in equity.

35.1. **No Assignment.** YCAP may not assign this Agreement, nor delegate the performance of any obligations hereunder, unless agreed to in advance and in writing by the City.

45.1. **Laws of Oregon.** This Agreement shall be governed by the laws of the State of Oregon. The parties agree to submit to the jurisdiction of the courts of the State of Oregon and to file any litigation concerning this Agreement in Yamhill County Circuit Court.

55.1. **Nonwaiver.** Failure by either party at any time to require performance by the other party of any of the provisions of this Agreement shall in no way affect the party's rights hereunder to enforce the same, nor shall any waiver by the party of the breach hereof be held to be a waiver of any succeeding breach or a waiver of this nonwaiver clause

65.1. **Severability.** If any part of this Agreement is adjudged void, that determination does not affect the validity or operation of any other part which, in itself, is valid if the remaining parts of the Agreement would then continue to conform with the requirements of applicable law and the intent of this Agreement as set forth herein.

75.1. **Modification.** This Agreement may not be modified except by written instrument executed by YCAP and the City.

85.1. **Time of the Essence.** Time is expressly made of the essence in the performance of this Agreement.

95.1. **Headings.** Any titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

105.1. **Good Faith and Reasonableness.** The parties intend that the obligations of good faith and fair dealing apply to this Agreement generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Agreement.

115.1. **Other Necessary Acts.** Each party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other parties the full and complete enjoyment of rights and privileges hereunder.

125.1. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original contract but all of which together shall constitute one and the same instrument.

135.1. **Authority.** Each party signing on behalf of YCAP and the City hereby warrants actual authority to bind their respective party.

145.1. **Land-Use Exemption:** Per HB 2006 (2021 Oregon Legislature), the Navigation Center at 327 and 329 Adams Street is exempt from land-use regulations if this agreement is signed prior to June 30, 2022.

**YAMHILL COMMUNITY  
ACTION PARTNERSHIP**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

As Its: \_\_\_\_\_

**CITY OF MCMINNVILLE**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

As Its: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney  
City of McMinnville, Oregon

DRAFT

**EXHIBIT A**  
**YCAP OPERATION DUTIES**

***Operational Requirements of the McMinnville Navigation Center Project:***

A building or cluster of buildings that provide shelter on a temporary basis for individuals and families who lack permanent housing as a low barrier emergency shelter open seven days/week with the following amenities:

Sleeping and restroom facilities at no cost  
Has adequate transportation access to commercial and medical services  
Will not pose any unreasonable risk to public health or safety

YCAP may provide any discretionary services under House Bill 2006-2021 Regular Session Section 3 (3)(a).

These requirements shall be limited for the term of this agreement.

DRAFT



## STAFF REPORT

**DATE:** May 24, 2022  
**TO:** McMinnville Contract Review Board  
**FROM:** Heather Richards, Planning Director  
**SUBJECT:** Resolution No. 2022-36, Navigation Center Architectural Services  
Emergency Procurement with FFA Architecture

### STRATEGIC PRIORITY & GOAL:



**HOUSING OPPORTUNITIES** (ACROSS THE INCOME SPECTRUM)  
Create diverse housing opportunities that support great neighborhoods.

**OBJECTIVE/S:** Collaborate to improve the financial feasibility of diverse housing development opportunities

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### **Report in Brief:**

This is the consideration of Resolution No. 2022-36 adopting findings declaring an emergency procurement per OAR137-048-0200 to enter into a contract with FFA Architecture for architectural and engineering services related to the construction of a Navigation Center per HB 2006 (2021 Oregon Legislature), and authorizing the City Manager to sign the contract in the amount not-to-exceed \$280,000.

ORS 297B.080 allows the Contract Review Board to consider emergency procurement for construction services.

### **Background:**

In 2021, the Oregon Legislature passed HB 2006, which identified the need for emergency shelter in Oregon for Oregon's houseless population. The bill allows for cities to permit the siting of an emergency shelter without invoking land-use provisions from the date of the bill passage until June 30, 2022. Then after the emergency shelter is permitted it needs to be operational within two years of the permit.

Resolution No. 2022-35 approved an agreement with Yamhill Community Action Partnership (YCAP) to build an emergency shelter on their property at 327 and 329 SE Adams Street.

In 2021, the City of McMinnville also received \$1,500,000 from HB 5024 to build a Navigation Center. A Navigation Center is an emergency shelter as defined by HB 2006 with on-site programs and services.

Resolution No. 2022-35 also established an agreement with YCAP to build and operate the Navigation Center on their property at 327 and 329 SE Adams Street utilizing the \$1,500,000 from the City of McMinnville for construction and operations.

**Discussion:**

Shortly after receiving notification of the funds from the state, the City of McMinnville started working with a small committee on evaluating potential sites and partners for the future Navigation Center.

HB 2006 established parameters for the operator that required at least two years of experience as a non-profit operating temporary shelter projects.

Once the location of 327 and 329 Adams Street was established with the operator as YCAP, the City of McMinnville started reaching out to architectural firms to gauge interest in working on the project. Most firms contacted indicated that they did not have the capacity to work on the project within the timeframe necessitated by HB 2006 (operational within two years of the agreement for the shelter location).

Eventually, the City spoke with FFA Architecture, who not only expressed interest but wanted to partner with the City of McMinnville on the project to add this type of housing to their firm's portfolio. FFA Architecture has a significant amount of municipal building experience, including the Kent Taylor Civic Hall. They came out to tour the site, met with YCAP and City staff and discussed timeframes. Due to the complexity of the site, the overall construction timeframe is 20 – 24 months.

City staff is recommending an emergency procurement to contract with FFA Architecture given the tight timeframe to complete the project within the HB 2006 deadlines and the need for emergency shelter in McMinnville, based on the following findings:

- (a) The fact that the Oregon Legislature in HB 2006 declared a statewide emergency which identified the urgent need for emergency shelter in Oregon per HB and provided funding to the City of McMinnville to build a Navigation Center as emergency shelter; and
- (b) The fact that hundreds of McMinnville residents are currently homeless without emergency shelter opportunities constitutes an emergency per OAR 137-048-0200(1)(a); and
- (c) Per HB 2006, emergency shelters need to be constructed and operational within two years of the bill's adoption to respond to the state emergency; and
- (d) The City of McMinnville upon receiving a \$1,500,000 Navigation Center grant from the State of Oregon for the construction of an emergency shelter has been working

diligently and expeditiously to find property and procure the appropriate architectural and engineering services to design and supervise construction of the emergency shelter; and

- (e) Upon contacting several architectural and engineering firms to solicit design and engineering services for the McMinnville Navigation Center, City staff learned that many firms do not currently have the capacity to work on the project either from a staffing and workload perspective, or the necessary experience and liability coverage to assume the project; and
- (f) Staff has located one qualified engineering firm (FFA Architecture) willing and able to undertake the design and construction supervision services within the time frame available to the city; and
- (g) The shortage of available engineering firms willing to provide design services was not reasonably foreseeable for a timely response to building an emergency shelter; and
- (h) If the emergency shelter is not constructed in as timely as a manner possible, it would create a substantial risk to the public health of those McMinnville residents that are currently homeless; and
- (i) The funds currently available for design and construction of the Navigation Center must be utilized in a timely fashion or will be subject to loss and repayment of available grant funds if the Navigation Center is not constructed and in operation within the time allowed; and
- (j) Per ORS297B.080, this is an authorized emergency procurement for pre-construction and construction supervision services, justified because there is substantial risk to the public health, welfare and safety of McMinnville's homeless population requiring prompt execution of a contract to remedy the situation, and due to the circumstance that the difficulty of locating a qualified and available architectural and engineering contractor with current capacity was not reasonably foreseen.

**Attachments:**

- 1. Resolution No. 2022-36
- 2. Contract with FFA Architecture
- 3. FFA Architecture Profile

**Fiscal Impact:**

The contract is for \$280,000 (including Phase I, Task 2.5, Furniture, Fixture and Equipment Design Coordination). FFA Architecture is donating approximately \$11,000 by donating their Principal and Partner In Charge Billable Hours to the project. FFA is also providing a discount hourly rate for the project as well as subcontractors.

**Recommendation**

Staff recommends approval of Resolution No. 2022-36.

## RESOLUTION NO. 2022 – 36

A Resolution by the McMinnville Contract Review Board adopting findings declaring an emergency procurement per OAR 137-048-0200 to enter into a contract with FFA Architecture for architectural and engineering services related to the construction of a Navigation Center per HB 2006 (2021 Oregon Legislature) and authorizing the City Manager to sign the contract in the amount not-to-exceed \$280,000.

### RECITALS,

**WHEREAS**, the City of McMinnville has hundreds of residents who are currently experiencing homelessness without emergency shelter opportunities available to them; and

**WHEREAS**, the 2021 Oregon Legislature passed HB 2006, a bill describing the need for emergency shelter in Oregon for individuals without shelter and determining the need to build these emergency shelters as soon as possible; and

**WHEREAS**, HB 2006 defined a “Navigation Center” as an emergency homeless shelter; and

**WHEREAS**, the City of McMinnville was awarded \$1,500,000 for a Navigation Center in HB 5024 in the 2021 Oregon Legislature; and

**WHEREAS**, the City of McMinnville initiated a property search for a future Navigation Center in July, 2021; and

**WHEREAS**, the City of McMinnville identified a potential property for a Navigation Center in October, 2021; and

**WHEREAS**, the City of McMinnville started to work on a procurement process for architectural services in November, 2021; and

**WHEREAS**, after contacting several different architectural firms to gauge interest in working on the Navigation Center project, the City of McMinnville determined that most architectural firms do not have the capacity to work on the McMinnville Navigation Center in the time frame needed to respond to the emergency homelessness situation in McMinnville, and those firms that do have the capacity to respond did not have the appropriate insurance and oversight provisions for the complexity of the project; and

**WHEREAS**, FFA Architecture was the only firm contacted that indicated it had the capacity, timeliness and interest in engaging with the McMinnville Navigation Center; and

**WHEREAS**, ORS Chapter 279B.080 allows for emergency procurements of goods and services that are not themselves public improvements; and further provides that if the contracting agency undertook a solicitation time period that was reasonable and

appropriate under the emergency circumstances, it may issue written or oral request for offers or make direct appointments without competition in cases of extreme necessity; and

**WHEREAS**, OAR 137-048-0200 allows an agency to enter into a direct appointment with a consultant without following the normal consultant selection procedures if the contracting agency finds that an emergency exists; and

**WHEREAS**, the City of McMinnville's local Contract Review Board (Board) finds that under ORS 279B.080 it has the authority to declare the need to construct a Navigation Center in McMinnville as an emergency procurement based on the following findings;

- (a) The fact that the Oregon Legislature in HB 2006 declared a statewide emergency which identified the urgent need for emergency shelter in Oregon per HB and provided funding to the City of McMinnville to build a Navigation Center as emergency shelter; and
- (b) The fact that hundreds of McMinnville residents are currently homeless without emergency shelter opportunities constitutes an emergency per OAR 137-048-0200(1)(a); and
- (c) Per HB 2006, emergency shelters need to be constructed and operational within two years of the bill's adoption to respond to the state emergency; and
- (d) The City of McMinnville upon receiving a \$1,500,000 Navigation Center grant from the State of Oregon for the construction of an emergency shelter has been working diligently and expeditiously to find property and procure the appropriate architectural and engineering services to design and supervise the construction of the emergency shelter; and
- (e) Upon contacting several architectural and engineering firms to solicit design and engineering services for the McMinnville Navigation Center, City staff learned that many firms do not currently have the capacity to work on the project either from a staffing and workload perspective, or the necessary experience and liability coverage to assume the project; and
- (f) Staff has located one qualified engineering firm (FFA Architecture) willing and able to undertake the design and construction supervision services within the time frame available to the city; and
- (g) The shortage of available engineering firms willing to provide design services was not reasonably foreseeable for a timely response to building an emergency shelter; and
- (h) If the emergency shelter is not constructed in as timely a manner as possible, it would create a substantial risk to the public health of those McMinnville residents that are currently homeless; and
- (i) The funds currently available for the design and construction of the Navigation Center must be utilized in a timely fashion or will be subject to loss and repayment of available grant funds if the Navigation Center is not constructed and in operation within the time allowed; and

- (j) Per ORS297B.080, this is an authorized emergency procurement for pre-construction and construction supervision services, justified because there is a substantial risk to the public health, welfare, and safety of McMinnville’s homeless population requiring prompt executive of a contract to remedy the situation, and due to the circumstance that the difficulty of locating a qualified and available architectural and engineering contractor with current capacity was not reasonably foreseen.

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

1. The City Council, acting in its capacity as the Contract Review Board for the City of McMinnville adopts the findings herein declaring the procurement of design and construction supervision services for the McMinnville Navigation Center an emergency per ORS279B.080 and OAR 137-048-0200; and
2. Authorizes the City Manager to sign a contract with FFA Architecture for a not-to-exceed sum of \$280,000.
3. This Resolution will take effect immediately upon its passage and approval by the Mayor.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 24th day of May 2022 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 24th day of May 2022.

\_\_\_\_\_  
MAYOR

Approved as to form:

Attest:

\_\_\_\_\_  
Interim City Attorney

\_\_\_\_\_  
City Recorder

**CITY OF McMinnville  
PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement (“Agreement”) for the McMinnville Navigation Center (Anydoor Place) Project (“Project”) is made and entered into on this \_\_\_\_ day of \_\_\_\_\_ 2022 (“Effective Date”) by and between the **City of McMinnville**, a municipal corporation of the State of Oregon (hereinafter referred to as the “City”), and FFA Architecture and Interiors, Inc., (hereinafter referred to as “Consultant”).

**RECITALS**

WHEREAS, the City requires services which Consultant is capable of providing, under terms and conditions hereinafter described; and

WHEREAS, Consultant represents that Consultant is qualified to perform the services described herein on the basis of specialized experience and technical expertise; and

WHEREAS, Consultant is prepared to provide such services as the City does hereinafter require.

NOW, THEREFORE, in consideration of these mutual promises and the terms and conditions set forth herein, the parties agree as follows:

**AGREEMENT**

**Section 1. Scope of Work**

Consultant shall diligently perform the services identified in the Scope of Work for the Project, attached hereto as **Exhibit A** and incorporated by reference herein (the “Services”).

**Section 2. Term**

The term of this Agreement shall be from the Effective Date until all Services required to be performed hereunder are completed and accepted, or no later than June 30, 2024, whichever occurs first, unless earlier terminated in accordance herewith or an extension of time is agreed to, in writing, by the City.

**Section 3. Consultant’s Services**

3.1. All written documents prepared by Consultant in conjunction with the Services shall bear the signature, name, or logo of, or otherwise be identified as coming from, Consultant’s authorized Project Manager.

3.2. Consultant will not be deemed to be in default by reason of delays in performance due to circumstances beyond Consultant’s reasonable control, including but not limited to strikes, lockouts, severe acts of nature, or other unavoidable delays or acts of third parties not under

Consultant's direction and control ("Force Majeure"). In the case of the happening of any Force Majeure event, the time for completion of the Services will be extended accordingly and proportionately by the City, in writing. Lack of labor, supplies, materials, or the cost of any of the foregoing shall not be deemed a Force Majeure event.

3.3. The existence of this Agreement between the City and Consultant shall not be construed as the City's promise or assurance that Consultant will be retained for future services beyond the Scope of Work described herein.

3.4. Consultant shall maintain the confidentiality of any confidential information that is exempt from disclosure under state or federal law to which Consultant may have access by reason of this Agreement. Consultant warrants that Consultant's employees assigned to the Services provided in this Agreement shall be clearly instructed to maintain this confidentiality. All agreements with respect to confidentiality shall survive the termination or expiration of this Agreement.

#### **Section 4. Compensation**

4.1. Except as otherwise set forth in this **Section 4**, the City agrees to pay Consultant a not-to-exceed amount of TWO HUNDRED EIGHTY THOUSAND DOLLARS (\$280,000) for performance of the Services ("Compensation Amount"). Any compensation in excess of the Compensation Amount will require an express written Addendum to be executed between the City and Consultant.

4.2. During the course of Consultant's performance, if the City, through its Project Manager, specifically requests Consultant to provide additional services that are beyond the Scope of Work described on **Exhibit A**, Consultant shall provide such additional services and bill the City at the hourly rates outlined on Consultant's Rate Schedule, as set forth in **Exhibit B**. Any Additional work beyond the Scope of Work, or any compensation above the amount shown in **Subsection 4.1**, requires a written Addendum executed in compliance with the provisions of **Section 19**.

4.3. Except for amounts withheld by the City pursuant to this Agreement, Consultant will be paid for Services for which an itemized invoice is received by the City within thirty (30) days of receipt, unless the City disputes such invoice. In that instance, the undisputed portion of the invoice will be paid by the City within the above timeframe. The City will set forth its reasons for the disputed claim amount and make good faith efforts to resolve the invoice dispute with Consultant as promptly as is reasonably possible.

4.4. The City will be responsible for the direct payment of required fees payable to governmental agencies, including but not limited to plan checking, land use, zoning, permitting, and all other similar fees resulting from this Project, that are not specifically covered by **Exhibit A**.

4.5. Consultant's Compensation Amount and Rate Schedule are all inclusive and include, but are not limited to, all work-related costs, expenses, salaries or wages, plus fringe



benefits and contributions, including payroll taxes, workers compensation insurance, liability insurance, profit, pension benefits and similar contributions and benefits, technology and/or software charges, licensing, trademark, and/or copyright costs, office expenses, travel expenses, mileage, and all other indirect and overhead charges.

## **Section 5. City's Rights and Responsibilities**

5.1. The City will designate a Project Manager to facilitate day-to-day communication between Consultant and the City, including timely receipt and processing of invoices, requests for information, and general coordination of City staff to support the Project.

## **Section 6. City's Project Manager**

The City's Project Manager is Heather Richards, Planning Director. The City shall give Consultant prompt written notice of any re-designation of its Project Manager.

## **Section 7. Consultant's Project Manager**

Consultant's Project Manager is Tejara Brown. In the event that Consultant's designated Project Manager is changed, Consultant shall give the City prompt written notification of such re-designation. Recognizing the need for consistency and knowledge in the administration of the Project, Consultant's Project Manager will not be changed without the written consent of the City, which consent shall not be unreasonably withheld. In the event the City receives any communication from Consultant that is not from Consultant's designated Project Manager, the City may request verification by Consultant's Project Manager, which verification must be promptly furnished.

## **Section 8. Project Information**

Except for confidential information designated by the City as information not to be shared, Consultant agrees to share Project information with, and to fully cooperate with, those corporations, firms, contractors, public utilities, governmental entities, and persons involved in or associated with the Project. No information, news, or press releases related to the Project, whether made to representatives of newspapers, magazines, or television and radio stations, shall be made without the written authorization of the City's Project Manager.

## **Section 9. Duty to Inform**

If at any time during the performance of this Agreement or any future phase of this Agreement for which Consultant has been retained, Consultant becomes aware of actual or potential problems, faults, or defects in the Project or Scope of Work, or any portion thereof; or of any nonconformance with federal, state, or local laws, rules, or regulations; or if Consultant has any objection to any decision or order made by the City with respect to such laws, rules, or regulations, Consultant shall give prompt written notice thereof to the City's Project Manager. Any delay or failure on the part of the City to provide a written response to Consultant shall

neither constitute agreement with nor acquiescence to Consultant's statement or claim, nor constitute a waiver of any of the City's rights.

## **Section 10. Subcontractors and Assignments**

10.1. Consultant shall not assign any of Consultant's rights acquired hereunder without obtaining prior written approval from the City, which approval may be granted or denied in the City's sole discretion. Some Services may be performed by persons other than Consultant, provided Consultant advises the City of the names of such subcontractors and the work which they intend to perform, and the City specifically agrees in writing to such subcontracting. Consultant acknowledges such work will be provided to the City pursuant to a subcontract(s) between Consultant and subcontractor(s) and no privity of contract exists between the City and the subcontractor(s). Unless otherwise specifically provided by this Agreement, the City incurs no liability to third persons for payment of any compensation provided herein to Consultant. Any attempted assignment of this Agreement without the written consent of the City shall be void. Except as otherwise specifically agreed, all costs for work performed by others on behalf of Consultant shall not be subject to additional reimbursement by the City.

10.2. The City shall have the right to enter into other agreements for the Project, to be coordinated with this Agreement. Consultant shall cooperate with the City and other firms, engineers or subcontractors on the Project so that all portions of the Project may be completed in the least possible time and within normal working hours. Consultant shall furnish other engineers, subcontractors and affected public utilities, whose designs are fitted into Consultant's design, detail drawings giving full information so that conflicts can be avoided.

10.3. Consultant shall include this Agreement by reference in any subcontract and require subcontractors to perform in strict compliance with this Agreement.

## **Section 11. Consultant Is Independent Contractor**

11.1. Consultant is an independent contractor for all purposes and shall be entitled to no compensation other than the Compensation Amount provided for under **Section 4** of this Agreement. Consultant will be solely responsible for determining the manner and means of accomplishing the end result of Consultant's Services. The City does not have the right to control or interfere with the manner or method of accomplishing said Services. The City, however, will have the right to specify and control the results of Consultant's Services so such Services meet the requirements of the Project.

11.2. Consultant may request that some consulting services be performed on the Project by persons or firms other than Consultant, through a subcontract with Consultant. Consultant acknowledges that if such services are provided to the City pursuant to a subcontract(s) between Consultant and those who provide such services, Consultant may not utilize any subcontractor(s), or in any way assign its responsibility under this Agreement, without first obtaining the express written consent of the City, which consent may be given or denied in the City's sole discretion. In all cases, processing and payment of billings from subcontractors is solely the responsibility of Consultant.

11.3. Consultant shall be responsible for, and defend, indemnify, and hold the City harmless against, any liability, cost, or damage arising out of Consultant's use of such subcontractor(s) and subcontractor's negligent acts, errors, or omissions. Unless otherwise agreed to, in writing, by the City, Consultant shall require that all of Consultant's subcontractors also comply with, and be subject to, the provisions of this **Section 12** and meet the same insurance requirements of Consultant under this Agreement.

## **Section 12. Consultant Responsibilities**

12.1. Consultant must make prompt payment for any claims for labor, materials, or services furnished to Consultant by any person in connection with this Agreement as such claims become due. Consultant shall not permit any liens or claims to be filed or prosecuted against the City on account of any labor or material furnished to or on behalf of Consultant. If Consultant fails, neglects, or refuses to make prompt payment of any such claim, the City may, but shall not be obligated to, pay such claim to the person furnishing the labor, materials, or services and offset the amount of the payment against funds due or to become due to Consultant under this Agreement. The City may also recover any such amounts directly from Consultant.

12.2. Consultant must comply with all applicable Oregon and federal wage and hour laws, including BOLI wage requirements, if applicable. Consultant shall make all required workers compensation and medical care payments on time. Consultant shall be fully responsible for payment of all employee withholdings required by law, including but not limited to taxes, including payroll, income, Social Security (FICA), and Medicaid. Consultant shall also be fully responsible for payment of salaries, benefits, taxes, Industrial Accident Fund contributions, and all other charges on account of any employees. Consultant shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. All costs incident to the hiring of assistants or employees shall be Consultant's responsibility. Consultant shall defend, indemnify, and hold the City harmless from claims for payment of all such expenses.

12.3. No person shall be discriminated against by Consultant [or any subcontractor] in the performance of this Agreement on the basis of sex, gender, race, color, creed, religion, marital status, age, disability, sexual orientation, gender identity, or national origin. Any violation of this provision shall be grounds for cancellation, termination, or suspension of the Agreement, in whole or in part, by the City. [References to "subcontractor" mean a subcontractor at any tier.]

## **Section 13. Indemnity**

13.1. Indemnification. Consultant acknowledges responsibility for liability arising out of the performance of this Agreement, and shall defend, indemnify, and hold the City harmless from any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting or allegedly resulting from Consultant's negligent acts, omissions, errors, or willful or reckless misconduct pursuant to this Agreement, or from Consultant's failure to perform its responsibilities as set forth in this Agreement. The review, approval, or acceptance by the City, its Project Manager, or any City employee of documents or other work performed, prepared, or submitted by Consultant shall not be considered a negligent act, error, omission, or willful misconduct on the part of the City, and none of the foregoing shall relieve Consultant of its

responsibility to perform in full conformity with the City's requirements, as set forth in this Agreement, and to indemnify the City as provided above and to reimburse the City for any and all costs and damages suffered by the City as a result of Consultant's negligent performance of this Agreement, failure of performance hereunder, violation of state or federal laws, or failure to adhere to the standards of performance and care described in **Subsection 14.2**. Consultant shall defend the City (using legal counsel reasonably acceptable to the City) against any claim that alleges negligent acts, omissions, errors, or willful or reckless misconduct by Consultant. As used herein, the term "Consultant" applies to Consultant and its own agents, employees, and suppliers [and to all of Consultant's subcontractors, including their agents, employees, and suppliers].

13.2. Standard of Care. In the performance of the Services, Consultant agrees to use at least that degree of care and skill exercised under similar circumstances by reputable members of Consultant's profession practicing in the Portland metropolitan area. Consultant will re-perform any Services not meeting this standard without additional compensation. Consultant's re-performance of any Services, even if done at the City's request, shall not be considered as a limitation or waiver by the City of any other remedies or claims it may have arising out of Consultant's failure to perform in accordance with the applicable standard of care of this Agreement and within the prescribed timeframe.

## **Section 14. Insurance**

14.1. Insurance Requirements. Consultant shall maintain insurance coverage acceptable to the City in full force and effect throughout the term of this Agreement. Such insurance shall cover all risks arising directly or indirectly out of Consultant's activities or work hereunder. Any and all agents, contractors, or subcontractors with which Consultant contracts to work on the Services must have insurance that conforms to the insurance requirements in this Agreement. Additionally, if a subcontractor is an engineer, architect, or other professional, Consultant must require the subcontractor to carry Professional Errors and Omissions insurance and must provide to the City proof of such coverage. The amount of insurance carried is in no way a limitation on Consultant's liability hereunder. The policy or policies maintained by Consultant shall provide at least the following minimum limits and coverages at all times during performance under this Agreement:

14.1.1. Commercial General Liability Insurance. Consultant and all subcontractors shall obtain, at each of their own expense, and keep in effect during the term of this Agreement, comprehensive Commercial General Liability Insurance covering Bodily Injury and Property Damage, written on an "occurrence" form policy. This coverage shall include broad form Contractual Liability insurance for the indemnities provided under this Agreement and shall be for the following minimum insurance coverage amounts: The coverage shall be in the amount of **\$2,000,000** for each occurrence and **\$3,000,000** general aggregate and shall include Products-Completed Operations Aggregate in the minimum amount of **\$2,000,000** per occurrence, Fire Damage (any one fire) in the minimum amount of **\$50,000**, and Medical Expense (any one person) in the minimum amount of **\$10,000**. All of the foregoing coverages must be carried and maintained at all times during this Agreement.

14.1.2. Professional Errors and Omissions Coverage. Consultant agrees to carry Professional Errors and Omissions Liability insurance on a policy form appropriate to the professionals providing the Services hereunder with a limit of no less than **\$2,000,000** per claim. Consultant shall maintain this insurance for damages alleged to be as a result of errors, omissions, or negligent acts of Consultant. Such policy shall have a retroactive date effective before the commencement of any work by Consultant on the Services covered by this Agreement, and coverage will remain in force for a period of at least three (3) years after termination of this Agreement.

14.1.3. Business Automobile Liability Insurance. If Consultant or any subcontractors will be using a motor vehicle in the performance of the Services herein, Consultant shall provide the City a certificate indicating that Consultant and its subcontractors have business automobile liability coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than **\$2,000,000**.

14.1.4. Workers Compensation Insurance. Consultant, its subcontractors, and all employers providing work, labor, or materials under this Agreement that are subject employers under the Oregon Workers Compensation Law shall comply with ORS 656.017, which requires them to provide workers compensation coverage that satisfies Oregon law for all their subject workers under ORS 656.126. Out-of-state employers must provide Oregon workers compensation coverage for their workers who work at a single location within Oregon for more than thirty (30) days in a calendar year. Consultants who perform work without the assistance or labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than **\$500,000** each accident.

14.1.5. Insurance Carrier Rating. Coverages provided by Consultant and its subcontractors must be underwritten by an insurance company deemed acceptable by the City, with an AM Best Rating of A or better. The City reserves the right to reject all or any insurance carrier(s) with a financial rating that is unacceptable to the City.

14.1.6. Additional Insured and Termination Endorsements. The City will be named as an additional insured with respect to Consultant's liabilities hereunder in insurance coverages. Additional Insured coverage under Consultant's Commercial General Liability, Automobile Liability, and Excess Liability Policies, as applicable, will be provided by endorsement. Additional insured coverage shall be for both ongoing operations via ISO Form CG 2010 or its equivalent, and products and completed operations via ISO Form CG 2037 or its equivalent. Coverage shall be Primary and Non-Contributory. Waiver of Subrogation endorsement via ISO Form CG 2404 or its equivalent shall be provided. The following is included as additional insured: "The City of McMinnville, its elected and appointed officials, officers, agents, employees, and volunteers." An endorsement shall also be provided requiring the insurance carrier to give the City at least thirty (30) days' written notification of any termination or major modification of the insurance policies required hereunder. Consultant must be an

additional insured on the insurance policies obtained by its subcontractors performing work on the Services contemplated under this Agreement.

14.1.7. Certificates of Insurance. As evidence of the insurance coverage required by this Agreement, Consultant shall furnish a Certificate of Insurance to the City. This Agreement shall not be effective until the required certificates and the Additional Insured Endorsements have been received and approved by the City. Consultant agrees that it will not terminate or change its coverage during the term of this Agreement without giving the City at least thirty (30) days' prior advance notice and Consultant will obtain an endorsement from its insurance carrier, in favor of the City, requiring the carrier to notify the City of any termination or change in insurance coverage, as provided above.

14.2. Primary Coverage. The coverage provided by these policies shall be primary, and any other insurance carried by the City is excess. Consultant shall be responsible for any deductible amounts payable under all policies of insurance. If insurance policies are "Claims Made" policies, Consultant will be required to maintain such policies in full force and effect throughout any warranty period.

## **Section 15. Early Termination; Default**

15.1. This Agreement may be terminated prior to the expiration of the agreed upon terms:

15.1.1. By mutual written consent of the parties;

15.1.2. By the City, for any reason, and within its sole discretion, effective upon delivery of written notice to Consultant by mail or in person; or

15.1.3. By Consultant, effective upon seven (7) days' prior written notice in the event of substantial failure by the City to perform in accordance with the terms through no fault of Consultant, where such default is not cured within the seven (7) day period by the City. Withholding of disputed payment is not a default by the City.

15.2. If the City terminates this Agreement, in whole or in part, due to default or failure of Consultant to perform Services in accordance with the Agreement, the City may procure, upon reasonable terms and in a reasonable manner, services similar to those so terminated. In addition to any other remedies the City may have, both at law and in equity, for breach of contract, Consultant shall be liable for all costs and damages incurred by the City as a result of the default by Consultant, including, but not limited to all costs incurred by the City in procuring services from others as needed to complete this Agreement. This Agreement shall be in full force to the extent not terminated by written notice from the City to Consultant. In the event of a default, the City will provide Consultant with written notice of the default and a period of ten (10) days to cure the default. If Consultant notifies the City that it wishes to cure the default but cannot, in good faith, do so within the ten (10) day cure period provided, then the City may elect, in its sole discretion, to extend the cure period to an agreed upon time period, or the City may elect to terminate this Agreement and seek remedies for the default, as provided above.

15.3. If the City terminates this Agreement for its own convenience not due to any default by Consultant, payment of Consultant shall be prorated to, and include the day of, termination and shall be in full satisfaction of all claims by Consultant against the City under this Agreement.

15.4. Termination under any provision of this Section shall not affect any right, obligation, or liability of Consultant or the City that accrued prior to such termination. Consultant shall surrender to the City items of work or portions thereof, referred to in **Section 21**, for which Consultant has received payment or the City has made payment.

## **Section 16. Suspension of Services**

The City may suspend, delay, or interrupt all or any part of the Services for such time as the City deems appropriate for its own convenience by giving written notice thereof to Consultant. An adjustment in the time of performance or method of compensation shall be allowed as a result of such delay or suspension unless the reason for the delay is within Consultant's control. The City shall not be responsible for Services performed by any subcontractors after notice of suspension is given by the City to Consultant. Should the City suspend, delay, or interrupt the Services and the suspension is not within Consultant's control, then the City shall extend the time of completion by the length of the delay.

## **Section 17. Modification/Addendum**

Any modification of the provisions of this Agreement shall not be enforceable unless reduced to writing and signed by both the City and Consultant. A modification is a written document, contemporaneously executed by the City and Consultant, which increases or decreases the cost to the City over the agreed Compensation Amount in **Section 4** of this Agreement, or changes or modifies the Scope of Work or the time for performance. No modification shall be binding or effective until executed, in writing, by both Consultant and the City. In the event Consultant receives any communication of whatsoever nature from the City, which communication Consultant contends gives rise to any modification of this Agreement, Consultant shall, within five (5) days after receipt, make a written request for modification to the City's Project Manager in the form of an Addendum. Consultant's failure to submit such written request for modification in the form of an Addendum shall be the basis for refusal by the City to treat said communication as a basis for modification or to allow such modification. In connection with any modification to this Agreement affecting any change in price, Consultant shall submit a complete breakdown of labor, material, equipment, and other costs. If Consultant incurs additional costs or devotes additional time on Project tasks, the City shall be responsible for payment of only those additional costs for which it has agreed to pay under a signed Addendum. To be enforceable, the Addendum must describe with particularity the nature of the change, any delay in time the Addendum will cause, or any increase or decrease in the Compensation Amount. The Addendum must be signed and dated by both Consultant and the City before the Addendum may be implemented.

**Section 18. Access to Records**

The City shall have access, upon request, to such books, documents, receipts, papers, and records of Consultant as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts during the term of this Agreement and for a period of four (4) years after termination of the Agreement, unless the City specifically requests an extension. This clause shall survive the expiration, completion, or termination of this Agreement.

**Section 19. Property of the City**

19.1. Originals or certified copies of the original work forms, including but not limited to documents, drawings, tracings, surveying records, mylars, spreadsheets, charts, graphs, modeling, data generation, papers, diaries, inspection reports, and photographs, performed or produced by Consultant under this Agreement shall be the exclusive property of the City and shall be delivered to the City prior to final payment. Any statutory or common law rights to such property held by Consultant as creator of such work shall be conveyed to the City upon request without additional compensation. Upon the City’s written approval, and provided the City is identified in connection therewith, Consultant may include Consultant’s work in its promotional materials. Drawings may bear a disclaimer releasing Consultant from any liability for changes made on the original drawings and for reuse of the drawings subsequent to the date they are turned over to the City.

19.2. Consultant shall not be held liable for any damage, loss, increased expenses, or otherwise, caused by or attributed to the reuse by the City or its designees of all work performed by Consultant pursuant to this Agreement without the express written permission of Consultant.

**Section 20. Notices**

Any notice required or permitted under this Agreement shall be in writing and shall be given when actually delivered in person or forty-eight (48) hours after having been deposited in the United States mail as certified or registered mail, addressed to the addresses set forth below, or to such other address as one party may indicate by written notice to the other party.

To City: City of McMinnville  
Attn: Heather Richards  
231 NE Fifth Street  
McMinnville, OR 97128

To Consultant: \_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Section 21. Miscellaneous Provisions**

21.1. Integration. This Agreement, including all exhibits attached hereto, contains the entire and integrated agreement between the parties and supersedes all prior written or oral



discussions, representations, or agreements. In case of conflict among these documents, the provisions of this Agreement shall control.

21.2. Legal Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Agreement may be enforced by an action at law or in equity.

21.3. No Assignment. Consultant may not assign this Agreement, nor delegate the performance of any obligations hereunder, unless agreed to in advance and in writing by the City.

21.4. Adherence to Law. In the performance of this Agreement, Consultant shall adhere to all applicable federal, state, and local laws (including the McMinnville Code and Public Works Standards), including but not limited to laws, rules, regulations, and policies concerning employer and employee relationships, workers compensation, and minimum and prevailing wage requirements. Any certificates, licenses, or permits that Consultant is required by law to obtain or maintain in order to perform the Services described on **Exhibit A**, shall be obtained and maintained throughout the term of this Agreement.

21.5. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Oregon, regardless of any conflicts of laws. All contractual provisions required by ORS Chapters 279A, 279B, 279C, and related Oregon Administrative Rules to be included in public agreements are hereby incorporated by reference and shall become a part of this Agreement as if fully set forth herein.

21.6. Jurisdiction. Venue for any dispute will be in Yamhill County Circuit Court.

21.7. Legal Action/Attorney Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Agreement or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or body at trial or on any appeal or review, in addition to all other amounts provided by law. If the City is required to seek legal assistance to enforce any term of this Agreement, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review.

21.8. Nonwaiver. Failure by either party at any time to require performance by the other party of any of the provisions of this Agreement shall in no way affect the party's rights hereunder to enforce the same, nor shall any waiver by the party of the breach hereof be held to be a waiver of any succeeding breach or a waiver of this nonwaiver clause.

21.9. Severability. If any provision of this Agreement is found to be void or unenforceable to any extent, it is the intent of the parties that the rest of the Agreement shall remain in full force and effect, to the greatest extent allowed by law.

21.10. Modification. This Agreement may not be modified except by written instrument executed by Consultant and the City.

21.11. Time of the Essence. Time is expressly made of the essence in the performance of this Agreement.

21.12. Calculation of Time. Except where the reference is to business days, all periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday, or legal holiday observed by the City, the period shall be extended to include the next day which is not a Saturday, Sunday, or legal holiday. Where the reference is to business days, periods of time referred to herein shall exclude Saturdays, Sundays, and legal holidays observed by the City. Whenever a time period is set forth in days in this Agreement, the first day from which the designated period of time begins to run shall not be included.

21.13. Headings. Any titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

21.14. Number, Gender and Captions. In construing this Agreement, it is understood that, if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that, generally, all grammatical changes shall be made, assumed, and implied to individuals and/or corporations and partnerships. All captions and paragraph headings used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Agreement.

21.15. Good Faith and Reasonableness. The parties intend that the obligations of good faith and fair dealing apply to this Agreement generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Agreement. The obligation to be reasonable shall only be negated if arbitrariness is clearly and explicitly permitted as to the specific item in question, such as in the case of where this Agreement gives the City “sole discretion” or the City is allowed to make a decision in its “sole judgment.”

21.16. Other Necessary Acts. Each party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other parties the full and complete enjoyment of rights and privileges hereunder.

21.17. Interpretation. As a further condition of this Agreement, the City and Consultant acknowledge that this Agreement shall be deemed and construed to have been prepared mutually by each party and it shall be expressly agreed that any uncertainty or ambiguity existing therein shall not be construed against any party. In the event that any party shall take an action, whether judicial or otherwise, to enforce or interpret any of the terms of the Agreement, the prevailing party shall be entitled to recover from the other party all expenses which it may reasonably incur in taking such action, including attorney fees and costs, whether incurred in a court of law or otherwise.

21.18. Entire Agreement. This Agreement and all documents attached to this Agreement represent the entire agreement between the parties.

21.19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original Agreement but all of which together shall constitute one and the same instrument.

21.20. Authority. Each party signing on behalf of Consultant and the City hereby warrants actual authority to bind their respective party.

The Consultant and the City hereby agree to all provisions of this Agreement.

**CONSULTANT:**

**CITY:**

\_\_\_\_\_

CITY OF McMinnville

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

As Its: \_\_\_\_\_

As Its: \_\_\_\_\_

Employer I.D. No. \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Walt Gowell, Interim City Attorney  
City of McMinnville, Oregon

DRAFT

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## PROJECT DESCRIPTION

The project scope of work involves the renovation of two residential properties, 327 and 329 SE Adams Street, in McMinnville, Oregon, approximately 1,264 sf (built in 1920) and 1,632 sf (built in 1916) respectively. New construction will be incorporated in the form of a “connection” building between the two residential properties, approximate square footage is not yet determined. The new building and existing building renovations will be designed, documented, permitted, and constructed to meet YCAP’s needs in partnership with the City of McMinnville, and in accordance with the scope of services described below.

## ASSUMPTIONS

- The project is located at 327, 329, and between these two properties on SE Adams Street in McMinnville, Oregon, 97128.
- The estimated construction budget for the remodel is \$1,100,000 million USD.
- The project will consist of sleeping shelter space, office space, and community/service space in the currently vacant homes and in the new “connection” building between the two spaces. The combined square footage of the homes is approximately 2,896 sf. The proposed “connection” building square footage will be determined during the programming and space planning efforts in Task 1.
- Drawings will be based on the as-built drawings developed by the City’s vendor, provided to FFA and assumed to be accurate.
- Demolition drawings will be provided in a schematic format only with demolition notes. Detail of all existing conditions will not be recorded beyond available existing drawings and cursory site observation as outlined below.
- FFA will develop a full finish/materials package for all interiors, and exterior at the new construction only.
- Specifications will be developed concurrently with the design and included on the drawing set.
- FFA’s furniture scope is to develop initial furniture layouts based on the desired design of the spaces and the initial design process for programming purposes only. See separate FF&E scope below for full design.
- The design-build contractors will be responsible for the final design and coordination of the mechanical and electrical systems with other trades, permit documents, energy code compliance forms, construction of the systems, and the contractor will be the Engineer of Record.
- Civil Engineering will consist of drawings and specifications of the following, along with support during construction administration related to Civil scope.
  - Stormwater management, sanitary sewer, waterline, and grading design for the “connection” building. No civil scope is included for the existing buildings.
- Structural Engineering will consist of consultation with the design team, drawing review and mark-up, material specification and structural calculations:
  - Consultation with architect, owner, general contractor, and other consultants related to structural items.
  - Architectural drawing review and mark-up to provide structural information for the project.
  - Material specifications and structural calculations necessary for issuance of the structural building permit.
- Mechanical, Electrical, and Plumbing Engineering will consist of electrical, heating, ventilation, air conditioning, plumbing, fire protection/sprinkler systems, electrical systems (including lighting), low voltage and technology systems (including fire alarm, security, and telecom) performance specification for contractor designed systems:
  - Provide design-build performance specifications for specific design, submittal, and installation criteria for the aforementioned systems for the design-build contractor’s use.
  - Provide consultation and review of contractor’s bids, proposals, and designs for the aforementioned systems.
- Cost Consulting will consist of cost estimating services for architectural and consultant scopes:

- One (1) cost package of detailed quantity take-offs and cost estimating for architectural, landscape, civil, mechanical, electrical, plumbing, and structural scopes with no more than one (1) alternate.
- One (1) round of cost reconciliation and minor estimate updates to clarify scope.
- Design-build systems include: Electrical, heating, ventilation, air conditioning, plumbing, fire protection/sprinkler systems, electrical systems (including lighting), low voltage and technology systems (including fire alarm, security, and telecom).
- Full Value Engineering (VE) scope (cost to budget review and realignment with significant re-design) is not included in scope (minor adjustments to drawings based on the cost estimate as indicated in the scope of work is included).
- Meetings will typically be held via video conference except for the site tour/site observations, finish selection meetings, and construction observations noted below.
- The Contractor will coordinate, schedule, and provide meeting minutes for all construction phase meetings.
- Construction schedule identified below is based on an estimated duration of project construction and is subject to change. Should the schedule extend beyond FFA's control, additional fees for services carried out after this period will be billed on a time and materials basis.
- Total project compensation assumes it is allowable to transfer left over reimbursable fees into FFA labor and be billed as such.
- Permit, Authority Having Jurisdiction, Agency, or other fees and charges required by the City of McMinnville for any of the proposed project scope or project construction are not included.
- Additional or significant changes outside of those included in the above summary, including but not limited to, a complete re-work of the plan or new design direction (to the program, drawings, or the finishes), are considered outside of the scope of work and will be considered additional services.
- Additional requested meetings or site visits are considered outside of the scope of work and will be considered additional services.
- Services listed in the attached "Exclusions" document to be excluded unless directly identified in the scope above.

## DESIGN AND CONSULTANT TEAM

Architecture and Interior Design  
Structural Engineering  
Mechanical and Plumbing Engineering  
Electrical Engineering  
Civil Engineering  
Cost Estimating

FFA Architecture and Interiors, Inc.  
Structural Nexus  
Sazan Group, Inc.  
Sazan Group, Inc.  
Emerio Design, LLC  
ACC Cost Consultants

## SCOPE OF BASIC SERVICES

The following is a list of services based on the project description and assumptions. All durations are estimates only and will be refined as the project moves forward. Weekly project update conversations and phone calls are considered part of the base services and are not counted against the meeting totals listed below. Whenever possible meeting topics may be grouped together for efficiency.

## PHASE I

### TASK 1 – Programming / Concept Design / Space Planning (6 weeks)

The purpose of this phase is to meet with key stakeholders to define the scope of the project, review the existing conditions, and to develop the program and space plan to a concept level for review by the YCAP Board and to establish a design direction for the subsequent Tasks.

- Meetings
  - Four (4) meetings / site visits total:
    - One (1) kickoff meeting with the core/stakeholder team to determine program, project goals, scope, and constraints based on the preliminary program outline provided by YCAP.
    - One (1) 2-hour workshop and site visit with the core/stakeholder team to review the graphic program, inspiration imagery, and adjacencies.
    - One (1) review meeting with the core/stakeholder team to discuss the preliminary concept sketch space plans and concept imagery.
    - One (1) review meeting with the core/stakeholder team to discuss the final space plan and concept package for presentation to the Board.
- Tasks
  - Develop inspiration imagery board, graphic program, and adjacencies diagrams.
  - Facilitate programming / visioning workshop.
  - Develop project goals and overall design vision.
  - Verify established space program needs.
  - Develop up two (2) concept sketch space plans to address project goals and program.
  - Review concept plans for preliminary code analysis for initial code compliance.
- Deliverables
  - Material and spatial imagery / vision board
  - Graphic space program; final program
  - Concept sketch space plans; refined concept space plan
  - Confirmed project goals

### TASK 2 – Schematic Design / Design Development (8 weeks)

The purpose of this phase is to meet with key stakeholders and consultants to refine the scope of the project, refine the design, select materials and finishes, and to develop the design documents for pricing.

- Meetings
  - Three (3) meetings / site visits total:
    - One (1) design meeting and site visit to review building design and materials (interior and exterior) as apply to the renovations and new construction.
    - One (1) page turn meeting with YCAP to review and confirm design work to date (90% SD/DD drawing development).
    - One (1) page turn meeting with YCAP & City to review the final drawing set to confirm all scope and requested changes have been captured (final SD/DD drawings prior to pricing).
- Tasks
  - Develop complete finish palette based on design direction for interior and exterior materials.
  - Facilitate design meeting to establish the design direction for the project.

- Send image of finalized finish palette to YCAP for review and approval. One (1) set of minor adjustments to finish selections included in scope.
  - Develop on-drawing specifications for systems and materials.
  - Develop Schematic / Design Development (SD/DD) document drawings (demo and build) and notes to communicate the scope of work.
  - Update documents per meeting feedback.
  - Conduct internal review/QAQC, including sustainability review.
  - Coordinate cost estimate review with cost consultant.
- Deliverables
    - Materials and finish palette.
    - SD / DD documents to include door and finish schedules, floor plans, reflected ceiling plans, interior elevations, interior details, consultant documents and project specifications.

### **TASK 2.5 – Furniture, Fixture, & Equipment Design Coordination (8 weeks, concurrent with Task 2)**

The purpose of this phase is to develop the concept for the furniture, fixture, and equipment (FF&E) package to be provided for the project, coordinate the necessary infrastructure to support the items (mechanical, electrical, and/or plumbing needs), and work with YCAP's vendor to finalize all design decisions prior to procurement.

*Note: Task 2.5 is not included in the current fee and would be considered additional service to be negotiated under a separate contract if decided not to be included at this time. Scope is outlined here for reference only. Scope assumes YCAP will be selecting commercial grade furniture and bring on a furniture dealer to support the design process. Scope also assumes procurement, purchasing, inventory, and installation of furniture is by others.*

- Meetings
  - Four (4) meetings:
    - One (1) review meeting with YCAP to review preliminary layout and develop an FF&E program for the building.
    - One (1) review meeting with YCAP and consultants / vendors to review system/infrastructure needs for the FF&E package.
    - One (1) review meeting with YCAP to review equipment cutsheets, furniture/finish concept images, and finishes/materials.
    - One (1) review meeting with YCAP to review the final equipment cutsheets and furniture package.
- Tasks
  - Develop FF&E program list to outline scope of FF&E needs for the full project, including system and infrastructure needs.
  - Coordinate with design team consultants and furniture vendor to determine appropriate FF&E selections, finishes, and materials.
  - Develop FF&E concept package with cutsheets, concept imagery, and finishes/materials.
  - Coordinate with furniture vendor to develop the final FF&E package, including equipment cutsheets.
- Deliverables
  - FF&E program
  - FF&E concept package
  - FF&E final package

### TASK 3 – Construction Documents (10 weeks)

The purpose of this phase is to meet with key stakeholders and consultants to document the design and to develop the final construction documents.

- Meetings
  - Five (5) meetings / site visits total:
    - One (1) page turn meeting to review the cost estimate and discuss solutions for minor value engineering of the project in order to realign the design to the budget (if necessary).
    - One (1) page turn meeting to review and confirm design work to date (50% CDs).
    - One (1) review meeting with YCAP and consultants / vendors to review infrastructure and electrical needs.
    - One (1) page turn meeting and site visit with YCAP to review and confirm design work to date (90% CDs).
    - One (1) page turn meeting to review the final drawing set to confirm all scope and requested changes have been captured (final CD drawings prior to Task 4).
- Tasks
  - Coordinate with cost estimate consultant to answer questions and to develop estimate.
  - Facilitate cost estimate review and drawing package page turn meetings.
  - Refine finish palette based on design direction for interior and exterior materials.
  - Refine on-drawing specifications for systems and materials per meeting feedback.
  - Develop construction document drawings (demo and build) and notes to communicate the scope of work.
  - Coordinate with design consultants to develop the design of the systems and documentation; provide minor coordination with YCAP's furniture vendor (if applicable).
  - Conduct internal review/QAQC.
- Deliverables
  - Cost estimate document
  - Final materials/finish palette
  - Construction Documents. This includes code summaries, door and finish schedules, floor plans, enlarged plans, reflected ceiling plans, interior elevations, interior details, consultant documents and project specifications.

## PHASE II

### TASK 4 – Permitting / Bidding (10 weeks)

The purpose of this phase is to steward the permitting process through the City of McMinnville in order to receive the building permit.

- Meetings
  - One (1) meeting total:
    - One (1) review meeting to go over bidding questions with YCAP and City staff.
- Task
  - Submit documents for permit (*permit fees are not included in compensation schedule*).
  - Respond to code official and planning official comments.
  - Respond to bidding questions.
- Deliverables
  - Code and planning comment responses



- o Up to one (1) addendum package

**TASK 5 – Construction Administration (40 weeks) Time & Materials Basis**

The purpose of this phase is to provide input on the construction process and support the contractor in executing the design intent as outlined below.

- Meetings / site visits total:
  - o Twenty (23) meetings total:
    - One (1) Pre-Construction Meeting
    - Up to twenty (20) OAC meetings and site visits to review construction progress (*approximately every-other week*).
    - One (1) Punch Walk for Substantial Completion (site visit) to identify construction scope issues or flaws to be addressed
    - One (1) One Year Warranty Review
  
- Task
  - o Conduct Pre-construction meeting.
  - o Review submittals and shop drawings.
    - Up to two (2) reviews per submittal or shop drawing.
  - o Respond to RFIs.
  - o Provide site observation reports.
  - o Review applications for payment.
  - o Facilitate, document review, and make recommendations for all change orders.
  - o Coordinate with contractor on development and documentation of punch list.
  - o Complete project closeout.
  
- Deliverables
  - o Site Observation Reports
  - o Contractor Punch List review
  - o Punch List document
  - o Substantial Completion Letter

**SCHEDULE**

The durations shown below establish time limits for each phase of the project and are based on the proposed fees. Should these durations be extended beyond the control of FFA, additional fees for services carried out after this period will be billed on a time and materials basis.

Project Phase	Approx. Duration
Notice to Proceed	TBD
Phase I, Task 1 – Programming / Concept Design / Space Planning	6 Weeks
Phase I, Task 2 – Schematic Design / Design Development	8 Weeks
<i>Phase I, Task 2.5 – Furniture, Fixture, &amp; Equipment Design Coordination</i>	<i>Concurrent with Task 2</i>
Phase I, Task 3 – Construction Documents	10 Weeks

Project Phase	Approx. Duration
Phase II, Task 4 – Permitting / Bidding	10 Weeks
Phase II, Task 5 – Construction Administration	40 Weeks

## COMPENSATION

Fees are based on Fixed amounts, unless noted otherwise below. Fixed fees will be billed in full, Time and Material (T&M Estimate) fees will be billed based on time and materials spent.

Scope of Services Fees	
Phase I, Task 1 – Programming / Concept Design / Space Planning	\$8,154
Reimbursable Expenses Budget	\$244
TOTAL	\$8,398
Phase I, Task 2 – Schematic Design / Design Development	\$53,885
Reimbursable Expenses Budget	\$1,617
TOTAL	\$55,502
<i>Phase 1, Task 2.5 – Furniture, Fixture, &amp; Equipment Design Coordination</i>	<i>\$16,880</i>
<i>Reimbursable Expenses Budget</i>	<i>\$506</i>
<i>TOTAL</i>	<i>\$17,386</i>
Phase I, Task 3 – Construction Documents	\$43,701
Reimbursable Expenses Budget	\$1,311
TOTAL	\$45,012
Phase II, Task 4 – Permitting / Bidding	\$7,865
Reimbursable Expenses Budget	\$236
TOTAL	\$8,101
Phase II, Task 5 – Construction Administration (*Time and Materials Estimate)	\$100,140
Reimbursable Expenses Budget	\$3,004
TOTAL	\$103,144
TOTAL FEES (except for Phase I, Task 2.5)	\$213,745
TOTAL EXPENSES FEES (except for Phase I, Task 2.5)	\$6,412
GRAND TOTAL (except for Phase I, Task 2.5)	\$220,157

Reimbursable expenses such as reproductions, postage/delivery, photographs, prints and plots, etc. are billed at the direct cost. Fees for services will be billed monthly and are due and payable upon receipt. Amounts outstanding after 30 days will incur service charges of one and one-half percent per month.

As reflected in the grand total in the above compensation table, compensation for the project assumes it is allowable to transfer left over reimbursable/expenses fees into FFA labor and be billed as such.

Phase I, Task 2.5 is not included in the above grand total. If desired to include this scope of work, add in the amounts noted above in that line item.

Note: Discounted rates and/or donated hours have been provided by the design team and are reflected in the fees included above.

## ATTACHMENT "A"

### EXCLUSIONS

The following items are excluded from the FFA scope of work for base services. If FFA and the City of McMinnville determine that the following items or other additional services are required by the conditions of the project, those items will be added to the FFA's services and compensation.

- As-Built Documentation Services to measure and record existing or as-constructed building conditions.
- Environmental services. Asbestos and other hazardous materials surveys, assessments and abatement drawings and specifications for the building will be performed by a consultant hired by the City of McMinnville.
- LEED certification or LEED equivalent documentation.
- Multiple document packages beyond the single package outlined in this proposal's Scope of Services.
- Multiple design options beyond what is outlined in this proposal's Scope of Services, alternates or revisions after acceptance.
- Furniture, Fixtures, and Equipment (FF&E) design, selection or procurement is not included in scope (minor concept development and coordination as indicated in above scope of work is included).
- 1% for Art selection assistance, coordination, and documentation.
- Coordination with and review of third-party value engineering studies.
- Commissioning Consultant or building commissioning scope.
- Building envelope code compliance submittals.
- Custom light fixtures design and/or exterior lighting design/specification.
- Technology consulting and design at the active component level for information systems, communications, and facility systems. This includes component and application selection.
- Audio/Video Design
- Technology, Security, and Intrusion Detection Systems.
- Data / Telecommunications systems design of cable infrastructure for voice and data low voltage systems, conduit infrastructure for building and room access control and security.
- Meetings with public agencies and community meetings other than those listed in the proposal (Design Review, Land Use Review, and Historic Landmarks).
- Exterior scope that will trigger Design Review or Non-Conforming upgrades, including site, landscape, and civil work (outside of what is addressed in the scope of work listed above). Assumed not required.
- Structural engineering beyond the incidental interior scope outlined in this proposal's Scope of Services.
- Coordination of Owner's Consultants or Contractors.
- Acoustic Engineering and design services, calculations, and/or testing.
- Building Signage beyond code compliant signage.
- Energy or Daylighting Modeling
- Artwork, Accessories, and Interior Plantscape
- Disabled access compliance design beyond Oregon Structural Specialty Code and Americans with Disabilities Act current at the time of project permitting.
- BOMA Calculations
- Value Analysis
- Project phasing
- Energy Incentive Program Assistance
- Photorealistic and presentation quality 3-D Renderings, fly-throughs, or models.

YCAP NAVIGATION CENTER  
Project Number# 04.00.22

FFA Architecture and Interiors

Design Team									
Principal	Partner-In-Charge (PIC)	Project Manager (PM)	Senior Project Architect (QA/QC & Spec)	Architectural Staff - Job Captain (ARCH II)	Cost	MEP	Structural	Civil	

Billing Rate:	\$245	\$215	\$109	\$126	\$95				
Phase I									
Task 1 - Programming / Concept Design / Space Planning (6 weeks)	0	8	18	2	32				
Total Fee By Staff (Task 1)	\$0	\$1,720	\$1,962	\$252	\$3,040			\$2,900	
Total Fee Task 1					\$8,154				
Task 2 - Schematic Design / Design Development (8 weeks)	2	2	40	32	228				
Total Fee By Staff (Task 2)	\$490	\$430	\$4,360	\$4,032	\$21,660	\$8,183	\$6,000	\$3,650	\$6,000
Total Fee Task 2					\$53,885				
Task 2.5 - FF&E Design Coordination (8 weeks) concurrent with Task 2	0	4	120	0	40				
Total Fee By Staff (Task 2.5)	\$0	\$860	\$13,080	\$0	\$3,800				
Total Fee Task 2.5					\$16,880				
Task 3 - Construction Documentation (10 weeks)	2	8	40	16	195				
Total Fee By Staff (Task 3)	\$490	\$1,720	\$4,360	\$2,016	\$18,525		\$6,000	\$5,800	\$7,000
Total Fee Task 3					\$43,701				
Phase II									
Task 4 - Permit / Bidding (10 weeks)	0	5	20	10	45				
Total Fee By Staff (Task 4)	\$0	\$1,075	\$2,180	\$1,260	\$4,275			\$150	
Total Fee Task 4					\$7,865				
Task 5 - Construction Administration (40 weeks)	0	20	250	40	640				
Total Fee By Staff (Task 5)	\$0	\$4,300	\$27,250	\$5,040	\$60,800		\$3,000	\$2,050	\$2,000
Total Fee Task 5					\$100,140				
Total Hours By Staff Type	4	47	488	100	1180				
Total Consultant Fees						\$8,183	\$15,000	\$14,550	\$15,000
Total Fees (except for Phase I, Task 2.5)					\$213,745				
Expense Total Fees (except for Phase I, Task 2.5)					\$6,412				
Grand Total (except for Phase I, Task 2.5)					\$220,157				

Note:  
Principal and Partner-In-Charge hours are donated and all FFA rates are provided at a nonprofit discount. Consultant rates are also reduced.

FF&E fee from Phase I, Task 2.5 is not included in the grand total. If desired to include this scope of work, add the amounts noted above in that line item.

**FFA Architecture and Interiors, Inc.**  
**Standard Billing Rates - 2022**

Principal	\$245.00 per hour
Partner	\$215.00 per hour
Architectural Staff VI	\$190.00 per hour
Architectural Staff V	\$170.00 per hour
Architectural Staff IV	\$145.00 per hour
Architectural Staff III	\$125.00 per hour
Architectural Staff II	\$115.00 per hour
Architectural Staff I	\$95.00 per hour
HP Specialist I	\$95.00 per hour
Interior Designer III	\$145.00 per hour
Interior Designer II	\$115.00 per hour
Interior Designer I	\$95.00 per hour
Marketing/Administrative	\$95.00 per hour

Reimbursable expenses such as reproductions, postage/delivery, photographs, prints and plots, etc. are billed at direct cost. Any reimbursable expenses not listed, does not exclude them from being billed as a reimbursable project expense. Project mileage is billed at the current IRS rate. Consultant billings will be billed at direct cost.

Fees for services will be billed monthly and are due and payable upon receipt. Amounts outstanding after 30 days will incur service charges of one and one-half percent per month.

Hourly rates are subject to change annually.



City of McMinnville  
Architectural Services for YCAP Navigation Center  
April 8, 2022



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# Cover Letter



April 8, 2022

Heather Richards, Planning Director  
City of McMinnville  
230 NE Second Street  
McMinnville, OR 97128

Heather & City Council Members,

We are excited for the opportunity to continue to build a strong relationship with you, the City of McMinnville, and YCAP, on such a meaningful and transformative project for those in your community who need it most. We view this partnership as a catalyst for creating positive change and one that is based on our shared goals and values which include:

**Quality:** FFA Architecture and Interiors (FFA) is a firm that values craft and quality over expansion and mass production. We will work your the team to personalize the shelter, services, and common areas we design to focus on humanity, dignity, and independence for the clients served. All of this will be done with a keen focus on the project budget.

**Long-lasting investment:** We understand the value of durability and longevity because public work is a cornerstone of FFA's practice. We recognize the importance of balancing function and aesthetic so that the spaces can withstand wear and tear while also helping to inspire and encourage clients and staff alike. For your project, we will select durable materials and design for long-term flexibility, so the current investment you're making can be maximized even after you have the opportunity to expand elsewhere. We understand there is a limited budget and recognize the need for materials that will hold up to high traffic and use, along with regular maintenance. We have extensive experience working within these parameters and will guide you through the decision-making process to meet these goals.

**Sustainability:** Sustainability is central to FFA's work and we consider it to be the basis of good design rather than supplementary to our process and project outcomes. In addition to having designed LEED-Certified housing projects, FFA recently completed three public safety facilities and one higher education building, all with highly sustainable designs. Two were designed for near net-zero operation and all four incorporate local mass timber as a primary design element. We will use the lessons learned and knowledge gained from all our sustainability efforts to ensure we maximize green strategies for your building renovations and new construction, and tailor them accordingly. Especially key for a housing and service-based project, we will help you make sure the material decisions align with and support the health and wellness of clients and staff.

**Engagement & Equity:** When approaching a project with multiple stakeholders, engagement and communication are critical. You have already identified a core group of decision makers representative of the diverse group of project stakeholders. We often work with groups like this and have an integrated process that allows us to gather feedback in an equitable manner while establishing project goals that support group buy-in. These project goals also provide a framework throughout the project that informs the decision-making process and builds efficiencies into our project timeline.

Our team of design professionals, led by Principal Troy Ainsworth and our Market Leads Richard Grace and Téjara Brown, brings a wealth of shared experience in the multifamily housing, office, and civic projects. Our goal here is to leverage this expertise in support of realizing this important endeavor. We are capable, confident, and knowledgeable working on a wide variety of projects, from large, new construction to small renovations. Your project is a unique combination of these project types, and we can deliver a high caliber of tailored design that will meet and exceed your expectations.

FFA is pleased to submit the following proposal to provide you with design services for the YCAP Navigation Center. We appreciate being considered as your design partner for this project and look forward to the opportunity to work with you, the City, and YCAP. We welcome you to contact us if you have any questions or require further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Grace'.

**Richard Grace, AIA**  
Partner-in-Charge  
503.327.0352 / rgrace@ffadesign.com

A handwritten signature in black ink, appearing to read 'Troy Ainsworth'.

**Troy Ainsworth, AIA, NCARB**  
Principal  
503.327.0347 / tainsworth@ffadesign.com

A handwritten signature in black ink, appearing to read 'Téjara Brown'.

**Téjara Brown, WELL AP**  
Associate, Project Manager /  
Interior Design Lead  
503.327.0334 / tbrown@ffadesign.com



# Firm Introduction



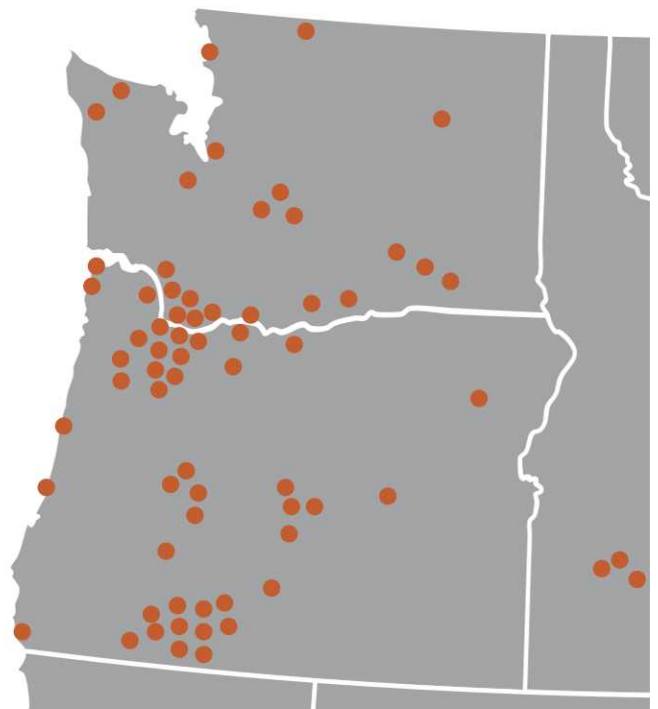
FFA's Studio in Downtown Portland

## Background

FFA Architecture and Interiors (FFA) is a full-service Portland-based design firm providing award-winning expertise in architecture, planning, and interior design. Our core values, which are rooted in quality, timelessness, beauty, and sustainability, are ones we have endeavored to carry out since the firm's founding in 1956. We are proud of this tradition and we are committed to providing contextual designs, which are rooted to their place in your community. We apply our creative process and expertise to support your mission and vision, while pragmatically resolving functional needs.

Each new project, regardless of size or scope, provides FFA with the chance to explore and expand our design thinking. We strive to learn from every project and continue to fine-tune the right questions to ask throughout this process to understand our clients' needs. From there, we develop designs that will produce the greatest value. Our clients' and their stakeholders' unique goals and aspirations frame our design parameters and our process allows us to provide thoughtful solutions.

FFA's 31-person staff is a highly experienced group of professionals who provide value-added design solutions for every project. We use a collaborative approach that incorporates multiple client and stakeholder viewpoints into a defined vision for each project.



Over FFA's 66-years, the firm has worked with public clients in communities large and small throughout the Pacific Northwest



**Public Work**

FFA is proud of our portfolio of successfully-delivered public projects, which currently make up more than 90% of the firm's contracts. We understand the levels of transparency, accountability, and integrity required for work involving public funds, and we take that responsibility as seriously as our clients.

At FFA we have learned that for each project we undertake – no matter the scope or scale – the following fundamental steps yield the very best results. We commit to:

- Work with our clients to establish a shared understanding of who they are and where they want to go
- Execute work based on client, community, and environment to design projects which are indicative of where they are and who they're for
- Practice openly and transparently, with no hidden agenda
- Utilize Cloud-based management tools to engage all the stakeholders at all times
- Establish roles and accountability which are tracked in real time by all players

**Experience in McMinnville**

- Yamhill County DA's Office Tenant Improvement Study
- Yamhill County Juvenile Recreation Space Study
- McMinnville Police Department and Civic Hall *(designed by FFA Partner Ian Gelbrich, prior to joining FFA.)*
- McMinnville Civic Hall TI Study

**Years in Business**

66

**Services**

**ARCHITECTURE**

- Site Planning
- Programming
- Pre-Design/Conceptual
- Design
- Schematic Design
- Design Development
- Construction Documentation
- Bidding/Permitting Assistance
- Construction Administration
- Facilities Assessments
- Project Warranty Walk
- Historic Preservation

**PLANNING**

- Master Planning
- Campus Planning

**Current Staff**

Architectural Staff: 23  
 Interior Designers: 3  
 Marketing / Admin: 5

**INTERIOR ARCHITECTURE**

- Space Planning
- Furniture Selection & Specification
- Finish Selection
- Design
- Programming

**OTHER**

- Fundraising Assistance
- Community Engagement & Planning Meetings
- Focus Groups
- Charrette Facilitation
- Consensus Building
- Peer Review
- LEED Documentation
- Computer-Aided Visualization

# Project Team Members



**Troy Ainsworth, AIA, NCARB**  
**Principal-in-Charge**

Troy has 36 years' experience in the organization and management of a wide range of project types. He has guided many of FFA's civic and municipal projects in communities of all sizes, including city halls, government agency buildings, regional utility providers, libraries, and public safety facilities throughout the region. Adept at team and consensus building, he is experienced at managing projects and bringing them in on time and within budget.

As Principal-in-Charge, Troy provides quality review, safeguards the budget, and is ultimately responsible for the delivery of all of FFA's contractual obligations.

## Select Project Experience

### Education

University of Oregon  
Bachelor of Architecture

### Architectural Registration

States of OR, WA, ID, UT, WY, NV, CA

### Eugene Town Square - City Hall & Farmers' Market

Eugene, OR

### Redmond City Hall and Civic Center

Redmond, OR

### Forest Grove City Hall Renovation & Expansion

Forest Grove, OR

### The Parker Apartments

LEED FOR HOMES, PLATINUM CERTIFICATION  
Portland, OR

### Tess O'Brien/Thornton Apartments

Portland, OR

### North Lombard Mixed-Use Development

Portland, OR



**Richard Grace, AIA**  
**Partner-in-Charge & Design Lead**

With over 25 years' experience, Richard has made significant contributions to civic, commercial, institutional, corporate, and educational projects throughout the Northwest and beyond. He challenges design teams to be nimble and examine all design alternatives.

As Partner-in-Charge and Design Lead, Richard will oversee all aspects of the design process as the team conducts a deep dive into understanding how to maximize function and enhance livability and wellness.

## Select Project Experience

### Education

University of Florida  
Bachelor of Design, Architecture  
North Carolina State University  
Bachelor of Architecture  
with Honors

### Architectural Registration

State of Oregon

### Lines for Life Portland Office and Call Center

Monmouth, OR

### Forest Grove City Hall Renovation & Expansion

Forest Grove, OR

### Monmouth City Hall

Monmouth, OR

### Portland Parks and Recreation, Mt. Scott Community Center Renovation and Expansion

Portland, OR

### Reem Island Mixed Housing\*

Abu Dhabi, UAE

### US Embassy Compound Marine Housing\*

Quito, Ecuador

\*Prior to joining FFA.



**Téjara Brown, WELL AP**  
**Associate, Interior Design Lead, Project Manager**

During Téjara’s 12 years in the design industry, she’s touched on a variety of project types and disciplines. Her design approach centers around relationship development, with an understanding that building connections with the client, consultants, and within the design team creates a collaborative, effective, and efficient project. Téjara’s unique skill set supports clients in developing functional and aesthetically pleasing interior spaces that are tailored to their needs.

As Project Manager and Interior Design Lead, Téjara will lead the design, day-to-day coordination, and will be your primary point of contact. She will engage as part of the team to help create lasting spaces with the flexibility to adapt to future needs.

**Select Project Experience**

**Education**

Marylhurst University  
Bachelor of Fine Arts in Interior Design

**Tess O’Brien/Thornton Apartments**

Portland, OR

**ScanlanKemperBard S.W. Macadam Avenue Office Buildings**

Portland, OR

- Lines for Life Tenant Improvement
- National Indian Child Welfare

**North Lombard Mixed-Use Development**

Portland, OR

**Ladybugs Academy, Daycare and Early Childhood Learning Center**

Portland, OR

**Monmouth City Hall**

Monmouth, OR

**Portland Parks and Recreation, Mt. Scott Community Center Renovation and Expansion**

Portland, OR



**Hai Luc, RA**  
**Associate, Senior Project Architect & QA/QC**

Hai has been the lead architect on some of FFA’s most significant renovation projects over the last 25 years. He is our firm’s technical expert in renovations and specializes in code analysis and our QA/QC process. Hai’s extensive experience in historic building renovations, as well as civic, mixed-use, and housing projects, will be a major contribution to the delivery of FFA’s design services.

As Senior Project Architect, Hai will work with the FFA and client team to provide technical input and architectural guidance to refine, detail, and document the design decisions.

**Select Project Experience**

**The Parker Apartments**

LEED FOR HOMES, PLATINUM CERTIFICATION  
Portland, OR

**Tess O’Brien/Thornton Apartments**

Portland, OR

**The Wyatt Apartments**

Portland, OR

**OSU Bexell Hall Interior Rehabilitation**

Corvallis, OR

**White Stag Block/UO Portland Rehabilitation**

LEED GOLD  
Portland, OR

**Portland Parks and Recreation, Mt. Scott Community Center Renovation and Expansion**

Portland, OR

**Richland Library Renovation and Expansion**

Richland, WA

**Education**

University of Michigan  
Master of Architecture  
Bachelor of Architecture

**Architectural Registration**

State of Washington



**Cristina Camacho, LEED GREEN ASSOCIATE**

**Job Captain**

Cristina's passion for design and construction translates into an approach that focuses on coordinating multiple disciplines in an environment that facilitates cooperation, support, and teamwork to meet each project's goals. She has the proven ability to multi-task in a fast-paced environment while keeping attention to detail. Cristina understands the unique needs of each client as well as the project phase.

Some of Cristina's duties as Job Captain include engaging in design team meetings, coordinating the permitting process, performing site observations and punch walk reports to confirm project alignment with design intent and construction documents.

**Select Project Experience**

**Education**

Instituto Tecnológico de Estudios Superiores de Monterrey, Mexico (ITESM)

Bachelor of Architecture – NAAB Certified  
Masters of Enterprise Administration

**Portland Parks and Recreation, Mt. Scott Community Center Renovation and Expansion**  
Portland, OR

**Ladybugs Academy, Daycare and Early Childhood Learning Center**  
Portland, OR

**Grace Baptist Church\***  
Beaverton, OR

**Dry Falls State Park, Visitor Center Rehabilitation**  
Sun Lakes, WA

**Stimson Lumber, Office Tenant Improvement**  
Portland, OR

**Oregon Department of Administrative Services, State Library Renovations**  
Salem, OR

\*Prior to joining FFA.

# Project Experience

## North Lombard Mixed-Use Development

Portland, OR | 38,000 sf, 46 units | Currently in Bidding/Permitting



- Designed a new mixed-use, multi-family building with living units and bike parking spaces, located in the revitalized neighborhood of Portsmouth in Northeast Portland.
- Building draws inspiration from the community's historic involvement in the early rugged logging, lumber, and milling industry. The project incorporates wooden and industrial design elements such as exterior vertical T&G wood siding, aluminum-clad wood windows, and a welcoming entry lobby fully-lined in finish-grade hardwood panels.
- One of Portland's early projects which incorporates affordable housing, mixed with market-rate units, as required by the Inclusionary Housing Zoning regulations.

## Redmond City Hall and Civic Center

Redmond, OR | 33,000 sf | 2017



- Provided complete design and historic rehabilitation services for the adaptive re-use of a 1920s-era public school building to serve Redmond's residents.
- Designed administrative offices, council chambers, utility and billing departments, meeting rooms, and public event space to be warm, welcoming, and filled with natural light.
- Worked with City leaders, staff, user groups, and stakeholders to balance the beauty and history of the building with efficient, functional, flexible spaces as well as the identity and brand of the City of Redmond.
- Led town hall-style community events to keep citizens up-to-date on progress and to generate excitement as the project moved forward.
- Designed "Memory Walls" within the former school corridors, which display 90+ years of yearbook photos and school memorabilia.

## Monmouth City Hall

Monmouth, OR | 15,000 sf | Spring 2023 (est.)



- Provided services for the original assessment and study as well as the design — for a two-story building massing for the city hall functions and a large municipal court / city council chamber adjacent to a plaza.
- Conducted workshops with city staff to understand how they work, resulting in the design of interior spaces that meet their operational, functional, and security needs.
- Facilitated public engagement sessions with the community to understand residents' needs, identifying the three key themes of Community, Welcoming, and Asset to Town.
- Recommended architectural elements and materials that are compatible with the existing historic character of main street.
- The building's primary structural system to be constructed of CLT panels from the region with the primary benefits being a warm, welcoming aesthetic, reduced environmental impact and speed of construction.

## Forest Grove City Hall, Renovation & Expansion

Forest Grove, OR | 15,493 sf | Summer 2023 (est.)



- Performed a detailed facility and user needs assessment for a renovated and expanded city hall.
- Provided design, permitting, and construction administration services for the remodel of, and addition to, the existing building.
- Researched neighboring buildings in a nearby historic district to design an expansion that was contextually appropriate and reflected the values of the community.
- Provided innovative design elements to maximize daylight penetration and views to create a warm, well-lit space within challenging site constraints
- Designed weather resistant seismic joints and connections to construct the addition on a tight site between two existing buildings.
- Coordinated with the removal and re-development of utilities serving five adjacent properties
- Designed administrative offices, courts billing, utility and billing departments, meeting rooms, and two public lobbies to ensure equitable access to all users.

## Eugene Town Square – City Hall & Farmer's Market

Eugene, OR | 30,000 sf | On Hold



- Led the design effort for a multi-block project for a new city hall to house city offices, city council and community meetings spaces.
- Designed a permanent home for the Lane County Farmers Market, as well as a community amenity in both the market plaza and pavilion building.
- Created a new, permanent, covered performance space for the City of Eugene on its Park Blocks.
- Leveraged the power of community decision-making and stewardship of public places and spaces by leading an interactive, user-based planning process to build community empowerment alongside the project's design development.
- Managed and built consensus across departments and stakeholders including the City Manager, City Attorney, Mayor and City Councilors, City Recorder, Planning and Development, Human Rights and Neighborhood Involvement, Cultural Services, The Lane County Farmers Market, Eugene Police Department and many more.

## Tess O'Brien / Thornton Apartments

Portland, OR | 66,000 sf, 126 units | 2019



- Designed a new housing development consisting of two six-story buildings connected by a secure courtyard.
- Located in Portland's Northwest Alphabet District, the FFA Team represented the neighborhood's building traditions through design, using red brick masonry as the predominant exterior building material on the street frontage to echo nearby historic apartment and industrial buildings.
- Design inspires a sense of community through the connecting courtyard, which features shared amenities for gathering, quiet relaxing, recreation, and celebrations.
- Numerous sustainable design strategies were employed, including connectivity to community transit and resources, high-density units per acre, on-site storm-water management and disposal, drought-tolerant landscaping, and high-performance building materials.



## Ladybugs Academy, Daycare and Early Childhood Learning Center

Portland, OR | 3,392 sf | 2021



- Through FFA's relationship with Portland Community Reinvestment Initiatives (PCRI), were introduced to Ladybugs Academy, a BIPOC-owned child-care business.
- Owners sought to add a second commercial location in a ground floor space in the Beatrice Marrow affordable housing/mixed-use complex.
- Led clients through visioning exercises, developed and refined the program, and provided materials and lighting selection, documentation, permitting, and construction administration services.
- Layered multiple sustainable design strategies on a tight budget, using finishes and materials which focused on high performance, ease of maintenance, and environmental and kid friendly qualities.
- The resulting design is arrayed around a central play space and includes an office/reception area to greet families, two toddler classrooms, an infant classroom, a preschool classroom, a small kitchen, and an open activity space for before and after school hangouts and homework help for older kids.

## Mt. Scott Community Center Renovation and Expansion

Portland, OR | 72,000 sf | In Progress




- Provided a study exploring three approaches to seismic upgrades and potential improvements for the community center with building areas ranging from 20 to 100 year old.
- FFA team was subsequently selected by the Parks to renovate and expand the building to provide a welcoming, sustainable, inclusive, modern, full-service community center for the diverse Mt. Scott/ Arleta community, Portland families, and visitors.
- Organized a full-service team of 16 consultants including eight (8) COBID-certified firms and provided a detailed schedule to meet PP&Rs timeline and equity goals.
- Engaged PP&R leaders and Mt. Scott site teams in a series of workshops to develop project priorities, sustainability goals, high performance strategies, and verification and refinement of the project program.
- Includes replacement of 20,000 sf of seismically deficient building areas with a new 30,000 sf expansion with new lobby and administrative areas, event hall, fitness center, classrooms, daycare, teen center, and elevator to provide ADA accessible access to all levels.

# Professional Licenses

**Oregon State Board of Architect Examiners**

Reg. No	Issue Date	Exp. Date
ARI-5268	04/27/2007	12/31/2022

**TROY A. AINSWORTH**  
**520 SW YAMHILL ST SUITE 900**  
**PORTLAND, OR 97204**



Signature

WASHINGTON STATE DEPARTMENT OF LICENSING

License Number: 9125	License Type: Architect	Status: Active
Name: Hai Luc	Prior Name: None	First Issue Date: July 05, 2006
Sub-status: None	City: HAPPY VALLEY	Current Issue Date: April 28, 2020
Disciplinary Action: No	State: OR	Expiration Date: May 17, 2022
Program: Architects	Country: United States	
Endorsements	None	

**Grace, Richard R.**

Doing Business As:

Registration Status: Active

Registered by: Exam

Work City/State/Zip: PORTLAND OR 97204

Country: USA

Board: Oregon State Board of Architect Examiners

Type: Architect Individual

Number: ARI-5482-

Date of Issue: 8/22/2008

Expiration Date: 12/31/2022

