

Minutes of the Veneta City Council

June 13, 2016

Present: Sandra Larson, Thomas Cotter (arrived at 6:33 p.m.), Thomas Laing, and Laura Ruff

Absent: Tim Brooker

Others: Ric Ingham, City Administrator; Shauna Hartz, Finance Director; Kyle Schauer, Public Works Director, Lane Branch, Branch Engineering; Darci Henneman, City Recorder; Clinton Begley, Development and Communications Director and Rob Hoshaw, Operations Director of Long Tom Watershed Council; Joan Mariner, Fern Ridge Review

1. CALL TO ORDER THE VENETA CITY COUNCIL

Mayor Larson called the Veneta City Council to order at 6:32 p.m.

2. PUBLIC COMMENT

None

3. CONSENT AGENDA

MOTION: Thomas Laing made a motion to approve the consent agenda as presented. Laura Ruff seconded motion.

VOTE: Thomas Laing, aye; Sandra Larson, aye; Laura Ruff, aye.

The consent agenda as approved included Minutes for May 9, 2016, Minutes for May 23, 2016, Accounts Payable - To be Paid – Payable through June 7, 2016, Temporary Liquor License for St. Catherine's Church Barbeque, Planning & Building and Activity Report.

Thomas Cotter arrived at 6:33 p.m.

4. USES OF STATE SHARED REVENUE

a. PUBLIC HEARING – Uses of State Shared Revenue

1) Mayor Larson opened the Public Hearing at 6:33 p.m.

2) Staff Report

Hartz said to remain eligible for State Shared Revenue apportionments, the City Council is required to conduct a public hearing regarding the uses of the revenue in the upcoming fiscal year. The Budget Committee conducted their public hearing on May 19th which included an opportunity for public comment. Hartz said the State of Oregon collects Cigarette, Liquor and Highway Gas Taxes and as required by statute, shares a portion of the money collected, based on population, with cities and counties. It is estimated that the City of Veneta will received a total of \$372,759 for the upcoming fiscal year. If the Council wishes to make any changes to the approved budget they can do so prior to adoption. Hartz said the Highway Gas Tax is restricted to street maintenance and repairs. The other taxes are not restricted. The City has chosen to use the Liquor and Cigarette Taxes for operating costs within the General Fund and the State Shared Revenue portion of the Liquor Tax for operating costs in the Parks and Recreation Fund.

3) Public Comment

None

4) Questions from Council

In response to questions from Thomas Cotter, Hartz said the top portion of the liquor tax is based on per capita and the bottom figure is calculated with a different formula, which is called the State Revenue Sharing. She said the average is about the same. She said it's the same process and the

liquor and cigarette tax revenue we receive can go into the General Fund and can be used for different things.

5) Mayor Larson closed the Public Hearing at 6:39 p.m.

6) Council Deliberation (if needed)

In response to a question from Mayor Larson, Hartz said the Council will be presented with two resolutions at the June 27th meeting; one to tell the state that we want to continue to receive the shared revenue and the second would be to certify that the City provides four or more municipal services in order to collect the revenue.

5. APPROVED BUDGET FOR FISCAL YEAR 2016-17

a. PUBLIC HEARING – Approved Budget for Fiscal Year 2016-17

1) Mayor Larson opened the Public Hearing at 6:39 p.m.

2) Staff Report

Hartz said every year effective July 1st the City is required to adopt a new budget based on state regulations and guidelines. One requirement is to conduct a public hearing to allow citizens an opportunity to make comments. The hearing notice was published on June 1, 2016 and approval of the budget was granted by the Budget Committee on May 19, 2016. Hartz provided a copy of the notice and also included a summary of the budget which is scheduled for adoption at the June 27th Council meeting.

3) Public Comment
None

4) Questions from Council
None

5) Mayor Larson closed the Public Hearing at 6:42 p.m.

6) Council Deliberation (if needed)
None

6. COUNCIL BUSINESS AND REPORTS

a. Business

(1) Presentation from Long Tom Watershed Council

Clinton Begley, Development and Communications Director and Rob Hoshaw, Operations Director presented a slideshow. They explained what the Long Tom Watershed Council (LTWSC) does and how it operates.

In response to a question from Mayor Larson, Mr. Hoshaw said when a large amount of water is forced through a small culvert it can actually erode the stream bed and create an impediment culvert. He said this creates a barrier for cutthroat trout trying to move upstream.

Mr. Begley said the LTWSC is currently working with industrial sites in Eugene to clean storm water before it enters Amazon Creek which is the major tributary to Fern ridge Reservoir and the Long Tom River to the north. He said they have completed 20 projects in Veneta alone including removal of 15 fish barriers in the Coyote Creek basin. He said they hold regular public meetings and tours and many of their volunteers are from the Veneta area. On behalf of the LTWSC he thanked the City Council for waiving the community center rental fee. He said grants support a lot of their work but not all of it and many of those grant resources are shrinking so they continue to consolidate community support which allows more independency to the watershed community. He said it's about diversity so that everyone recognizes the many different ways we can protect the water.

In response to a question from Laura Ruff, Mr. Hoshaw said when LTWSC first started up, people were skeptical but they held a lot of community meetings and outreached and those first skeptics ended up being the biggest advocates for the Council.

Mr. Begley said businesses and landowners working with the LTWSC is on a voluntary basis so there is no government regulating. He said that creates a trust bridge with everyone they work with.

In response to a question from Thomas Laing, Mr. Begley said success of the LTWSC is measured by many things. He said water quality really starts in the urban areas and is just one way they measure their success.

Mr. Hoshaw said when two or three projects are completed on a section of stream it allows fish to migrate even further upstream and they will monitor one, two, three years later to determine how it changes. He said people may not understand why the water isn't clean but education is key as well as finding the trigger that they connect with to clean up their farm and still be able to continue farming.

In response to questions from Mayor Larson, Mr. Begley said an example of how they are working to clean up Amazon Creek in Eugene, cleaning storm water from a parking lot before it enters Amazon Creek will have a positive impact on landowners downstream.

In response to a question from Thomas Cotter, Mr. Hoshaw said the McKenzie Water District offers educational programs for Springfield school aged kids.

In response to a question from Mayor Larson, Mr. Begley said he would contact McKenzie Watershed Council to see if they would be willing to do educational programs in our School District.

Ingham said the City of Veneta was one of the early charter members and we provided some of the seed money to get it going as well as staff support. He said these grassroots watershed councils stepped up before the government took over. He said the City continues to support the LTWSC with annual contributions of \$1250 to \$2500.

(2) Community Center Rental Waiver Request from Fern Ridge Library

MOTION: Thomas Cotter made a motion to waive the Community Center rental fee in the amount of \$67.50 for the Fern Ridge Library. Laura Ruff seconded the motion which passed with a vote of 4-0.

b. Council/Committee Liaison Reports

Mayor Larson said Mid Lane Cares' annual fundraising event Benefit by the Glass went very well and was well attended. She said Pat Coy was in charge of contacting the auctioneer but because he forgot to do that, he ended up being the auctioneer.

Thomas Cotter said Joan Mariner provided a kiddy pool update at the last Economic Development Committee meeting. He said the Committee also reviewed the final package of the business loan application and on June 23rd Veneta Business Connect will host an event at Domaine Meriwether and do a presentation on the program.

Mayor Larson said the Elmira High School talent show was wonderful and it was inspiring to see many young talented kids perform. She said the graduating class of Elmira High School also had their first graduation walk where all graduates walked through Elmira and Veneta Elementary schools wearing their caps and gowns. She said students from kindergarten through eighth grade showed their support at both schools. Elmira Elementary students handed out simulated diplomas and

Veneta Elementary students made signs for the graduates. She said the high school graduation ceremony was short and sweet. The 8th grade promotion is tomorrow as well as the cardboard boat races starting at noon at the pool. She said the recent board meeting reported another successful outdoor school, the construction at Elmira Elementary is on schedule and the Garcia Center building is gone.

In response to a question from Mayor Larson, Ingham said staff heard from the Oregon State Parks and Recreation coordinator that the City's grant application for construction of the kiddy pool was ranked 7 out of 16 meaning we should receive full funding of \$175,000.

7. STAFF REPORTS

a. City Engineer..... Lane Branch

(1) Engineer's Report for Local Improvement District 8th St. Sewer (pgs. 55-68)

Lane Branch said the area south of Dunham is lacking public infrastructure. He said his engineer's report identifies the project and how project costs will be distributed to the benefited properties. He said the project will be a gravity fed sewer line including a branch line to the east. He said this is a fairly standard and straight forward municipal system and the design is far enough along to allow for a construction cost estimate. He said because there are so few benefited properties to distribute project costs, this will be an expensive project.

Schauer said the East Bolton LID was \$217,000 and the surface area was much larger and costs were spread over more property owners. He said because there are only five benefitted properties on 8th St., based on square footage, the cost is very high.

In response to a question from Thomas Laing, Schauer said if this project goes through, the sewer line would go right down the middle of 8th St. He said it would be repaired but bringing 8th St. to City standards would be a future, separate street project.

In response to a question from Laura Ruff, Mr. Branch said another possibility would be if one of the larger property owners decides to develop then the other property owners would join in, but it's difficult for people to finance it up front and take care of it themselves.

In response to a question from Mayor Larson, Schauer said if the larger property owners decided to develop then they would be required to put the infrastructure in and the other property owners would likely join in at that time. He said when a subdivision is proposed, they provide all the infrastructure.

In response to a question from Laura Ruff, Ingham said Bork has made an extensive effort to outreach to all property owners and some have been responsive but it seems as though some are avoiding talking to City staff.

Schauer said the two property owners that have talked to staff seem apprehensive about the cost and staff is under the impression that they are talking to their neighbors. He said they may not like what they heard from staff but they understood why it's needed. He said hopefully they will go back and explain to their neighbors what they were told by City staff.

Ingham said this is not an easy one for staff but the 8th St. LID will provide service to the last five to seven properties in Veneta within a serviceable range. He said it's the goal of the Council to get these properties off septic systems and set up the developable properties within City limits for City services. He said we were shocked to see one property owner could see an assessment of around \$66,000. The highest assessment in the East Bolton LID was \$38,000 which was a larger property that could be developed. He said we need to ensure that we are consistent for all LID property owners and that the finance package and options for hooking up are offered to all. He said the City cannot require property owners to allow utility easements through their property.

Hartz explained the three options offered in the finance package.

In response to questions from Thomas Laing, Schauer said when decommissioning or abandoning a septic tank, the County requires the tank be pumped empty and filled with pea gravel. He said the leach lines can remain but the tank must be abandoned or removed. He doesn't know the cost of doing that but it would be an additional cost along with the connection costs and SDCs. He said we are only talking about costs to place the infrastructure down the middle of 8th St.

Ingham said if there is a consensus of the Council to move forward with the 8th St. LID, the Council would officially adopt the engineer's report which would trigger the public notices and outreach process. He said staff doesn't believe we have any irrevocable petitions with any of these property owners so that means that they can all remonstrate but that would only delay the project for six months. He said in six months construction costs will likely be higher. He said staff is recommending the Council give staff until the second meeting in July to give staff more time to outreach to property owners.

The Council agreed with staff's recommendation.

b. Finance Director.....Shauna Hartz

(1) Establishing Transportation Utility Fees

i. Agenda Item Summary

Hartz said on May 9th the Council approved for final enactment a TUF. As is common with all ordinances, the actual rates are set by resolution primarily because rates change frequently and adopting a resolution is quicker and more cost effective than amending the Veneta Municipal Code (VMC). Council agreed there would be two types of users, residential and nonresidential, flat monthly fee of \$3 for residential and \$6 for commercial accounts. She said this fee was included in the budget. The resolution includes definitions and refers people back to the adopting ordinance or VMC to assist with consistencies.

ii. Public Comment
None

iii. **Resolution No. 1192** – A RESOLUTION ESTABLISHING TRANSPORTATION UTILITY FEES FOR THE CITY OF VENETA

MOTION: Thomas Cotter made a motion to approve Resolution No. 1192, a resolution establishing transportation utility fees for the City of Veneta. Laura Ruff seconded motion which passed with a vote of 4-0.

(2) Transfer Appropriations for 2015-16 Fiscal Year

i. Agenda Item Summary

Hartz said she starts planning the budget early in the year so estimates and assumptions are used. As the year progresses, projects are started, actual figures become known, unknown needs show up and priorities change. Oregon Budget Law allows us to respond to that by using several methods. One method is to pass a resolution that transfers existing appropriations from one expenditure classification to another within the same fund. These transfers do not change the total budget figure nor does it change the total appropriated for expenditures in any fund. Ending fund balance or revenue are not affected. She said Resolution No. 1193 is being presented which includes transfers in three funds; 1) General Fund – Contingencies to Materials and Services; 2) Parks and Recreation Fund - Contingencies to Materials and Services; and 3) Planning Fund - Contingencies to Materials and Services. She said the building permits and land use activity was considerably higher and that causes the City to incur expenditure. The Parks and Recreation transfer will cover the commitment to the plaza at Veneta Elementary that we had not budgeted for.

Resolution No. 1193 – A RESOLUTION TRANSFERRING APPROPRIATIONS FOR THE 2015-2016 FISCAL YEAR

MOTION: Thomas Cotter made a motion to approve Resolution No. 1193, a resolution transferring appropriations for 2015-16 fiscal year. Thomas Laing seconded motion which passed with a vote of 4-0.

(3) Establishing Fees, Charges and Rates and Governance for users and use of the Veneta Municipal Water, Sewer and Storm water Drainage Systems

- i. Agenda Item Summary for Resolution Nos. 1194, 1195 and 1196
Hartz said we did some major amendments to VMC Titles 3 and 13 to update some of our processes, improve efficiencies and communication related to our utility billing system. At this time there is no change to the water or sewer rates but the storm water rate is increasing by 2% effective July 1, 2016.

In response to a question from Mayor Larson, Hartz said all City residents, including those not currently receiving City water or sewer, will pay the storm water fee beginning July 1, 2016.

- ii. Public Comment
None

- iii. **Resolution No. 1194** – A RESOLUTION ESTABLISHING WATER FEES, CHARGES AND RATES AND GOVERNANCE FOR USERS AND USE OF THE VENETA MUNICIPAL WATER SYSTEM AND REPEALING RESOLUTION NO. 1185

MOTION: Thomas Cotter made a motion to approve Resolution No. 1194, a resolution establishing water fees, charges and rates and governance for users and use of the Veneta Municipal Water System and repealing Resolution No. 1185. Thomas Laing seconded motion which passed with a vote of 4-0.

Hartz said there is a typographical error in Resolution No. 1195. She said the last line in Section 7 it should read "sewer service" rather than "water service".

- iv. Public Comment
None

- v. **Resolution No. 1195** – A RESOLUTION ESTABLISHING SEWER CONNECTION CHARGES, MONTHLY BASE FEES AND GOVERNANCE FOR USERS AND USE OF THE VENETA MUNICIPAL SEWER SYSTEM AND REPEALING RESOLUTION NO. 1124

MOTION: Thomas Cotter made a motion to approve Resolution No. 1195, a resolution establishing sewer connection charges, monthly base fees and governance for users and use of the Veneta Municipal Sewer System and repealing Resolution No. 1124 to include the above referenced correction. Laura Ruff seconded motion which passed with a vote of 4-0.

- vi. Public Comment
None

- vii. **Resolution No. 1196** – A RESOLUTION ESTABLISHING STORM WATER DRAINAGE FEES AND GOVERNANCE FOR USERS AND USE OF THE VENETA MUNICIPAL STORM-WATER DRAINAGE SYSTEM AND REPEALING RESOLUTION NO. 1178

MOTION: Thomas Cotter made a motion to approve Resolution No. 1196, a resolution establishing storm water drainage fees and governance for users and use of the Veneta Municipal Storm Water Drainage System and repealing Resolution No. 1178. Thomas Laing seconded motion which passed with a vote of 4-0.

c. City Administrator..... Ric Ingham

(1) Approval of Lane County Intergovernmental Agreement

Ingham said the contract will cover 4 deputies and half time sergeant's time. He said as in the past, the agreement includes a communication and a records officer. He said the 2016-17 agreement increased about 2.3% from last year which amounts to about \$20,000. At this point there are not changes from the prior years' agreements.

In response to a question from Laura Ruff, Ingham said that discount takes into consideration the proportional costs to deliver services to the City of Veneta. He said the discount fluctuates depending on total full time employees (FTE) in the sheriff's office, total number of deputies on the road, and emergency and non-emergency calls.

In response to a question from Mayor Larson, Ingham said the City of Creswell shares our sergeant and they also increased to three deputies. He said they formed an active public safety committee which is looking to put a levy on the ballot rather than forming a district. He said they're trying to enhance their budget to get to four deputies and to relieve some pressure that the public safety contract puts on their general fund.

MOTION: Thomas Cotter made a motion to approve the 2016-17 Public Safety Intergovernmental Agreement with the Lane County Sheriff's Office as presented. Thomas Laing seconded motion which passed with a vote of 4-0.

(2) Marijuana Tax Referral

Ingham said at the last meeting the Council asked him to put some information together to place a marijuana tax on the ballot. He said the state allows cities to place up to a 3% tax on recreational marijuana but the only way to implement the tax is to refer it to the voters. He said with direction from the Council, staff can prepare the materials to call for the election. He said at this point three other cities in Lane County have prepared the referral and ballot language. Staff is asking for a consensus from the Council whether or not to place the measure on the ballot, to do so we would bring a resolution and enacting ordinance to the June 27th meeting.

In response to a question from Thomas Cotter, Ingham said the proposed tax would be on all recreational products.

In response to a question from Laura Ruff, Ingham said Jeff Schlageter, one of the recreational marijuana dispensary owners was informed about tonight's meeting but we did not outreach to the other business. He said staff will do so upon direction from the Council prior to the resolution passing. He said currently those dispensaries are paying 25% to the state which would be reduced to 17% and with the City's 3% tax they would still see a 5% reduction.

Ingham asked the Council if they would like to direct the proceeds to anything specific. He recommended the proceeds from the 3% tax be directed to the Law Enforcement Fund which we would likely get better support from residents. He said the Neighborhood Watch Group has requested funds to purchase more signage and start up kits, now that the budget has been approved, we can talk with them about specific needs

In response to a question from Laura Ruff, Ingham said when we may only collect \$4000 to \$8000 and it would likely cost more than that to put together some kind of educational program.

In response to a question from Mayor Larson, Ingham said once it goes to the voters, we can't change where the funds go but the Council has the discretion to redirect other funds.

Thomas Cotter said he didn't want all of the proceeds to go to the Law Enforcement Fund because he doesn't want to tie up the opportunity the funds offer. He suggested 70% to Law Enforcement and 30% to help another cause. He said a little over five or so years could provide some seed money for something else.

Ingham said there's been a lot of chatter that residents want to support public safety and he felt by dedicating all recreational marijuana tax revenue to public safety is the best hook to get it enacted. He said annually the Council has a lot of discretion over all tax proceeds regardless of these funds, and the Budget Committee can determine how much property tax apply to other areas.

Mayor Larson said directing all of the recreational marijuana tax revenue to the public safety fund will alleviate some of the drain on the General Fund.

After a brief discussion, it was the consensus of the Council to do a 50% 50% split between the Law Enforcement Fund and the Parks and Recreation Fund.

MOTION: Thomas Cotter made a motion to authorize staff to develop necessary material to refer a 3% recreational marijuana tax on all retail sales to the November General Election. Thomas Laing seconded motion which passed with a vote of 4-0.

(3) Questions from Councilors
None

8. OTHER

Ingham provided the annual ballot and legislative recommendation materials from the League of Oregon Cities to provide input for the 2017 session. He asked Council members to review the material and pick their top six priorities and return their results to him by June 20th. He will then tally the results for Council discussion at the June 27th meeting.

Ingham said Bork is looking into the possibility of a large non-profit development that may be taking place in Veneta which may or may not be required to pay property taxes. He said if they have nonprofit status by the state, they will not be required to pay property taxes.

Ingham said Mayor Larson will be on vacation during the June 27th Council meeting which will require Council President Thomas Cotter to attend the meeting. He said the upcoming budget will be on the agenda for approval and at this point the July 11th Council meeting has been canceled.

Schauer said the pool is opening this Saturday, June 18th and the summer solstice party is the same night. Also, the City barbeque is Sunday, June 26th.

Ingham said the public works department, and more specifically Kip Orme and Mark Eveland have been dealing with some significant pool challenges. He said unfortunately, some of the equipment hasn't fared very well over the past five years. Also, he said the landscaping at the four corners area and the bio swales have never looked better.

In response to a question from Mayor Larson, Ingham said Dennis from the Homeless Coalition has been acting as a liaison between the City and some of the homeless population. He said they were not fulfilling their obligation to be on City property so we'll continue to monitor the situation. He said we thought about having them involved in volunteer activities, like eradicating scotch broom, but like other volunteers, they would need to be covered under our insurance, but because of a high risk for the City, we decided that wasn't a good idea.

9. ADJOURN

Mayor Larson adjourned the Veneta City Council at 8:44 p.m.


Sandra H. Larson, Mayor

ATTEST:



Darci Henneman, City Recorder
(Minutes prepared by DHenneman)