

**Minutes**  
**Veneta City Council**  
**May 12, 2008**

Present: Mayor T. J. Brooker, Darrell Carman, and Sharon Hobart-Hardin

Absent: Thomas Cotter and Marion Esty

Others: Brian Issa, Community Services Director; Jerri Moore, Finance Director; Sheryl Hackett, City Recorder; Darci Henneman, Assistant City Recorder; and Jeneca Jones, West Lane News

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Mayor Brooker called the Veneta City Council to order at 7:00 p.m.

**1. PUBLIC COMMENT**

**Cathy Coulsen-Keegan, 29130 E. Broadway, Veneta, OR,**

Ms. Coulsen-Keegan asked the Council and staff if they could look into providing bus service for Fern Ridge area residents to the Oregon Country Fair. She said area residents are required to drive to Eugene in order to catch a free bus to the Oregon Country Fair site and then ride the bus back to Eugene and drive back to home. She said this is very gas inefficient. She said providing bus service for area residents from Veneta to the Fair site would be beneficial to the entire community.

Mayor Brooker said City staff is working on setting up bus services for local residents to the Fair site. He said the Veneta Elementary parking lot would be used as a "park and ride" area. He suggested Ms. Coulsen-Keegan contact Jerri Moore for more information.

**2. CONSENT AGENDA**

**MOTION: Sharon Hobart-Hardin made a motion to approve the consent agenda. Darrell Carman seconded the motion.**

Darrell Carman had a correction to the April 28, 2008 Council minutes. He said on page three, paragraph four, line five should read ". . . approximately 180 County employees will be laid off."

**MOTION: Sharon Hobart-Hardin made a motion to approve the consent agenda as amended. Darrell Carman seconded the motion.**

**Vote: Mayor Brooker, aye; Darrell Carman, aye; and Sharon Hobart-Hardin, aye.**

**3. PUBLIC HEARING**

**Supplemental Budget to the Adopted Fiscal Year 2007-2008 Budget**

- a. Mayor Brooker opened the Public Hearing at 7:03 p.m.
- b. Declaration of potential conflict of interest or ex-parte contacts: None
- c. Staff Report (Jerri Moore)  
Jerri said the Oregon Budget Law allows a local government to prepare a

supplemental budget under certain limited circumstances. Conditions which were unforeseen at the time the 2007-08 budget was prepared made it necessary for the City of Veneta to prepare a supplemental budget for 2007-08. Jerri said an increase of \$100,000 in Residential Development and Planning Funds occurred during the 2007-08 year which was not anticipated. She said the Planning Fund had an increase due to City staff spending more time providing technical review services to developers. The Residential Development Fund saw an increase due to reimbursements from developers for outside consultants. The City arranges for the consultant who submits their bill to the City for payment. The developer then reimburses the City for the consultant's fees. Staff also requested the Council to approve increasing the amount of reimbursement from the developers to the City.

Jerri said an additional 911 tax revenue in the amount of \$11,500 became available by the State of Oregon after the budget was prepared. Jerri said these additional funds will be released FY 2008-09.

In response to a question from Darrell Carman, Jerri said this process is a "pass through" cost. She said the City offers a consultant as a courtesy to the developers. If the developer chooses to use the consultant, the City is reimbursed from the developer after we pay the consultant. Jerri said the billable staff time is budgeted for in the Personnel Budget. She said only the Contracted Services Fund would see an increase.

Staff recommended Resolution 971 be adopted to formalize the budget adjustments.

- d. Proponents/Opponents: None
  - e. Questions from the Council  
Council had no additional comments or questions.
  - f. Mayor Brooker closed the Public Hearing at 7:10 p.m.
  - g. Decision on the Issue
- (1) **Resolution 971** - A RESOLUTION TO ADOPT A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2007-2008

**MOTION:** Sharon Hobart-Hardin made a motion to approve Resolution 971.  
Darrell Carman seconded the motion which passed with a vote of 3-0.

#### 4. STAFF REPORTS

- a. FINANCE DIRECTOR ..... JERRI MOORE
  - (1) Audit Report FY 2006-2007  
Jerri introduced Bruce Montgomery of Johnson Montgomery and LaVassaur, P.C., the City Auditor. Jerri said he will be delivering his opinion on the Audit Report for FY ending June 30, 2007.  
Mr. Montgomery said all Councilors should have received the Audit Report in the mail at the end of March, 2008. He reviewed his 2007 Auditor Report with the Council. He said the auditor's opinion states

there are no material misstatements in the report. He said Jerri used a new format to prepare the Management Discussion Analysis (MD&A), which give a layman's overview of the financial activity of the City for the year.

He called the Council's attention to page 8, "Statement of Net Assets", "Cash and Investments". He said this is a strong cash ratio due in large part from the Capital Construction Fund (SDC collected). He said this fund puts the City in a good cash position. He likes to get a good idea if the Enterprise Funds, on page 22 (sewer and water) are operating above the law. He said in theory Enterprise Funds are suppose to be self-sufficient. He said the funds coming in should cover the cost of operation. He said this year the City accomplished that. He said both funds have positive numbers.

He said one area of concern for him is the budget procedures in the 911 Fund there was a slight over-expenditure of appropriation. He said he's not too concerned about it but it needed to be pointed out to the Council.

Mayor Brooker said even though there are no misstatements in the financial report, it doesn't mean the City is efficiently doing things the best way we could. He would like to see Bruce address some of the procedural items addressed and/or direct the Council to make some policy decisions.

Bruce said the Statement of Auditor Standards (SAS No. 112), requires the auditor to communicate to the governing body situations they observe during the audit process that they think could potentially create some misstatements. He said these could either be intentional or unintentional errors. He identified five areas that came to his attention that would be considered deficiencies in the City's system. He said the Council should discuss these items and determine if they want to fix them or accept the risk involved. He said his comments are pretty standard for a small entity and aren't that A typical to the City. He said one exception would be the utility billing software which should be dealt with immediately. He said other areas of concerns are separation of duties (would require hiring more employees) and inventory cost accounting.

Jerri said staff is also concerned about the items in the internal controls communication. She said staff is working on updating the utility billing software. She said the Public Works Superintendent, the City Administrator and she have been discussing how we can better track the inventory for water and sewer services. She said staff works at maintaining an appropriate separation of duties.

Mayor Brooker said staff and Council have discussed having certain controls in place prior to the City growing too large and then trying to implement them. He felt one of those areas is inventories.

Sharon Hobart-Hardin thanked Bruce for the letter and the audit report. She said when she first read the audit report she was very concerned but

after Bruce's explanation she felt more comfortable. She said the utility billing software was considered a significant deficiency last year and should have been corrected this year along with the inventory issue. She felt these two items should be taken through the budgeting process for this year to ensure they are covered and do not appear again. She felt the utility billing software update should be a priority.

Mayor Brooker said the utility billing software has been budgeted for in this year's budget, however the specific software has not been identified. He confirmed Jerri is preparing a white paper for the Council for review.

The Council thanked Bruce for attending tonight's meeting and providing the audit report.

- (2) Resignation of City Auditor  
Bruce Montgomery submitted his firm's letter of resignation as the City's auditor. Jerri thanked him for the years of service he and his staff have provided the City.

Mayor Brooker confirmed with Mr. Montgomery that if possible, he will assist the City in the RFP process for hiring a new auditing firm.

## 5. DEPARTMENT REPORTS

### b. COUNCIL/COMMITTEE LIAISONS

- (1) Park Board Annual Report (Gail Wilkie, Park Board Chair)  
Gail Wilkie said in 2008 the Veneta Parks Board had achieved significant goals as an advisory board to the City Council. She reviewed the Parks Board's six goals and accomplishments for the previous year. Gail said because of the efforts in organizing the Park Board's First Annual Earth Day celebration, last year's R.A.R.E. intern, Tauyna Jones and the Parks Board Planning Committee received the 2007 Project Oregon Award for Best Project by a First Time Coordinator. The award was presented by SOLV (Stop Oregon Liter and Vandalism) and on May 9, 2008 Gail Wilkie and Lee Taylor-Loewe traveled to the State Capitol in Salem to accept the award from Governor Kulongowski and Jack McGowan. Gail also said the Fern Ridge Opolo game raised over \$5,000.

Gail said the Parks Board and Progress Board would like to succeed in developing a volunteer program which could provide additional resources for park improvements. The Parks Board would like to upgrade all City parks which would require securing materials and labor, of which volunteers could significantly impact.

The Council thanked the Parks Board members for all they've done for the community. Mayor Brooker said their efforts are greatly appreciated by City staff and Council.

Sharon Hobart-Hardin attended a meeting conducted by Lane Community College (LCC) and community members to talk about what LCC could

look forward to in our area in the future. She said after closing the facility at Elmira High School, they realized in some ways it was a mistake because they are no longer able to serve their distant communities. She said it was a great discussion and hoped they would report to their board the need to reopen and staff the facility. She said if so, it would be a great opportunity for our community and asked the City and Council to get involved and attend future meetings on this issue. She said topics of discussion included LCC providing a small business development program, senior and child care programs to the area. She said Mary Speal, the president of LCC attended the meeting and listened to the discussion. She said it was very encouraging.

Mayor suggested the City having a closer relationship with LCC so we can try to spearhead some of these activities and programs they can offer our community.

Darrell Carman said he met with Stephania Fregosi on May 7, 2008. He said she is doing a great job on the facilities assessment committee. He said he was amazed at the number of entities she found in and around the City that are available for us.

Mayor Brooker said Sharon Hobart-Hardin and Thomas Cotter met with Commissioner Fleenor and voiced the Council's concerns about the Coordinated Population Numbers that we do not have from the County. Mayor Brooker said not having these numbers will continue to effect the City's ability to put together a Facilities Plan and a Comprehensive Plan Update that we've been working on for some time. He said hopefully those discussions will continue and there will be a final decision on moving forward with the Coordinated Population Numbers. He said we will continue to encourage discussions with Commissioner Fleenor to make sure our representatives are well aware of the issues surrounding rural communities throughout Lane County.

b. CITY ATTORNEY ..... JOHN WOLF

- (1) Tentative Settlement Agreement for Larson  
Brian said City Attorney, John Wolf will not be attending tonight's meeting. He said the City Council had previously reviewed the tentative settlement agreement which offers \$950,000 to the Larsons in exchange for Tax Lots 400 and 600. The City will pay the mediator fee. The tentative settlement agreement is contingent upon the City securing funding for the settlement amount. Brian said the City Attorney recommended the Council agree, in principle, to the tentative settlement agreement and direct the City Attorney and staff to take the necessary steps to complete the settlement. After appropriate financing is obtained, the final document will be brought to the Council for approval.

In response to a question from Mayor Brooker, Brian said staff needs a consensus of the Council to accept the terms of the tentative agreement.

The Council reached a consensus with the terms of the tentative settlement agreement and directed the City Attorney to prepare a final agreement to be adopted by motion at a future meeting.

c. COMMUNITY SERVICES DIRECTOR ..... BRIAN ISSA

(1) Pool update (Brian Issa)

Brian said previously the Pool Committee received the go ahead from Council to pursue consultants to work on the proposed bond measure in order to raise the money for construction of the pool. He said the Committee talked to two consulting firms. He said they decided to hire the Ulum Group here in Eugene. They received a scope of work from them and are in the process of working out the contract language. Brian said the Ulum Group will review the previous pool survey and conduct more survey research and develop a two page informational handout of impartial materials that describe the current situation and options that exist. The handout will tell the age of the existing pool, how it was damaged and what the benefits of the a new pool are for the City. Brian said they will develop similar content for the website, presentations, etc. and provide more of an informational campaign about the pool by coordinating the work that goes into drafting a bond measure with the City Attorney. Brian said these coordinated efforts will focus on the bond title, clearing the language with the Oregon Secretary of State's office and completing the ground work to get a measure on the November ballot. The Ulum Group agreed to provide this work for \$7,000. He said if additional work is needed after the City Council approves the bond measure and placing it on the ballot, the Ulum Group could be held on a \$1500 per month retainer for additional services. Brian said the total contract would be not to exceed \$10,000.

In response to a question from Mayor Brooker, Brian said there is a budget line item for this expenditure. Brian said he would provide a copy of the Ulum Group's scope of work to the Councilors.

Brian said the Pool Construction Committee is moving forward. He said the Committee will soon diverge with the City. He said a Political Action Committee was formed in order to receive funds to spend as a separate entity. He said a few fundraisers have been discussed. The Parks Board will be organizing a golf tournament and Kyle Schauer has agreed to organize a poker tournament. Brian said a pool demolition party has also been discussed. He said some local contractors have offered their services.

(2) Approve award of bid for Bolton Hill Road Improvements (Brian Issa)

Brian provided the final bid recap from Delta Construction for the improvements to Bolton Hill Road. This bid includes all street improvement costs as well as the City's sewer and water projects. He said the projects include provisions of gravity sewer described in the recent LID process, as well as water improvements which will provide better pressure to existing homes on the south side of Bolton Hill Road above of the TSP fields.

Brian said part of the water project will also provide service to the vacant parcel acquired by Gorilla Capital during a recent property swap with the City. Gorilla Capital has agreed to pay the total cost of approximately \$10,765.36 to provide water service to their property.

Brian said the City's estimated cost is \$234,007 in addition to the \$360,000 the City previously contributed from the Street Fund for the road improvements. Approximately \$196,831.96 is for sewer improvements, which will be initially paid from the Enterprise Funds and recovered by the LID assessments to benefitting properties. Brian said this is not the actual LID amount as the final assessment is based on actual costs and includes both construction costs as well as engineering and LID administrative costs. Brian said of the \$37,176 billed to the water fund, approximately \$10,765 will be paid by Gorilla Capital for their water service.

Brian said the County Board of Commissioners is scheduled to make a decision to award the contract at their May 14 meeting. Jerry Elliott, City Engineer reviewed the bid and gave the following statement: "Weber Elliott Engineers, on behalf of the City of Veneta, has reviewed the bid recap provided by the county for the above referenced project. We find the bid to be responsive to the City's project requirements and recommend that City authorize project continuance and provide requested funds as outlined in the intergovernmental agreement."

Staff requested the Council approve the bid award to Delta Construction for improvements to Bolton Hill Road and authorize the expenditure of \$37,176 from the water fund for water service improvements on upper Bolton Hill Road.

In response to a question from Darrell Carman, Brian said the water improvements were included in the entire amount budgeted for the Bolton Hill Road project.

**MOTION:** Sharon Hobart-Hardin made a motion to approve the bid award to Delta Construction for improvements to Bolton Hill Road. Darrell Carman seconded the motion which passed with a vote of 3-0.

**MOTION:** Sharon Hobart-Hardin made a motion to authorize the expenditure in an amount not to exceed \$37,000 from the water fund for water service improvements on upper Bolton Hill Road. Darrell Carman seconded the motion which passed with a vote of 3-0.

- (3) Compensation Agreement (Brian Issa)  
Brian read Ric's memo to the Council which outlined all of the compensation negotiations.

At the direction of Ken Jones and concurrence by the City Council, a new process was initiated this year for negotiating City staff's annual compensation package. On March 6, 2008, during an "All City" staff

meeting Ric Ingham presented a compensation offer.

After Ric made his offer, City staff selected two employees (Mindy Sandford and Brian Issa) to represent staff during the negotiations. On March 14, 2008 Mindy and Brian identified six items they would like to discuss with Ric.

Negotiations continued and a final agreement was reached. As per the City Council meeting, the final compensation package is being presented to the Council for their concurrence.

In response to a question from Mayor Brooker, Brian said the net dollar effect has been addressed in the budget.

**MOTION: Sharon Hobart-Hardin made a motion to approve the compensation agreement. Darrell Carman seconded the motion which passed with a vote of 3-0.**

- d. CITY RECORDER ..... SHERYL HACKETT  
(1) **Ordinance 481** - AN ORDINANCE AMENDING ORDINANCE 348, SECTION 1 AND ORDINANCE 387, SECTION 8, Section 1. Second reading by title only and for final enactment.

Sheryl reminded the Council that Ordinance 481 is housekeeping in nature. She said the election dates for filing initiatives referred to in two sections of the City's election code refer to two sections of the City Charter that are incorrect. She said the City Charter was amended after the election code and at that time two of the reference numbers in the election code did not get updated to match the new section numbers in the Charter.

**MOTION: Sharon Hobart-Hardin made a motion to approve Ordinance 481 for the second reading by title only and for final enactment. Darrell Carman seconded the motion which passed with a vote of 3-0.**

Assistant City Recorder, Darci Henneman read Ordinance 481 into the record by title only.

- (2) Spay & Neuter Vouchers (Sheryl Hackett)  
Sheryl said the local veterinarian would like the City to provide vouchers to cover the cost to spay and neuter feral cats, regardless of the income of residents who bring them to his clinic. He said the cats will be examined to confirm they are feral. He felt this would make a significant impact on the cat population especially because we no longer have a cat contract with LCARA.

Staff recommended Council continue the voucher program by increasing the voucher amount from \$20 to \$30 and that it not be based on income for feral cats to be spay or neutered.

In response to a question from Mayor Brooker, Sheryl said this would be an ongoing service at the Veneta Veterinary Clinic and not like the Neuter Scooter that comes to our area several times a year to provide spay and neuter services.

Sheryl said the voucher program is on the City's website and an informational brochure was prepared to be handed out at the Veneta Veterinary Clinic. Staff also wanted clarification on a motion made last year to waive the \$10 City licensing fee for dogs if they were spayed or neutered under the low-income voucher program.

It was suggested the new voucher program be on a temporary basis with a maximum budget of \$900 to see how much activity it gets.

**MOTION:** Sharon Hobart-Hardin made a motion to approve continuing the spay and neuter voucher program, that it not be based on low income for feral cats, and to increase the voucher amount to \$30 at a not to exceed amount of \$900 for the program. Darrell Carman seconded the motion.

Based on comments made by the Council, Sheryl suggested City staff monitor how many people use the voucher program for feral cats.

**VOTE:** 3-0.

6. **OTHER**  
None

7. **ADJOURN**  
Mayor Brooker adjourned the City Council at 8:23 p.m.

  
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T. J. Brooker, Mayor

ATTEST:

  
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Darci Henneman, Assistant City Recorder  
(minutes prepared by DHenneman)