

Minutes of the Veneta City Council

June 14, 2010

Present: Mayor Sharon Hobart-Hardin, T. J. Brooker, Darrell Carman, Marion Esty, and Sandra Larson

Others: Ric Ingham, City Administrator; Sheryl Hackett, City Recorder; Brian Issa, Community Services Director; Darci Henneman, Assistant City Recorder; and Pony Gilbert

Mayor Hobart-Hardin called the Veneta City Council to order at 7:00 p.m.

1. PUBLIC COMMENT

Pony Gilbert, 87827 Territorial Rd., Veneta, OR

Mr. Gilbert thanked the many people in the room and community on behalf of his wife and himself. Many community members (i.e., Fern Ridge Rotary, Mid Lane Community Partnership) are working on a fundraising event in Veneta called Applegate Field Dazs scheduled for July 3rd that would consist of field events (gunny sack races, etc.) a swap meet, vendors, live music. Mid Lane Community Partnerships offered to insure the event for a \$300 fee. He requested the City help with the coverage for the event.

In response to a question from Mayor Hobart-Hardin, Mr. Gilbert said TSP will provide insurance to cover the field events only. Mid-Lane Community Partnership would provide insurance coverage for the other activities but at a cost of \$300. He asked if the Council could provide insurance coverage for the activities not covered by TSP so event organizers wouldn't have to spend \$300 of their seed money for insurance.

T. J. Brooker suggested staff look into extending the City's liability coverage to provide coverage for the event and report back to the City Council.

Ric said staff needs more information, i.e. the event lay out and a list of activities before we request specific coverage from our insurance company. He did not see a problem with doing that.

In response to a question from Darrell Carman, Ric said the Council can pre-approve providing liability insurance for the event.

In response to a question from Marion Esty, Ric said should there be an additional insurance fee owed it could be paid from the discretionary fund.

MOTION: T. J. Brooker made a motion to approve the City providing liability insurance coverage for the event contingent upon approval from legal counsel. Marion Esty seconded the motion which passed with a vote of 5-0.

2. CONSENT AGENDA

MOTION: T.J. Brooker made a motion to approve the consent agenda as presented. Sandra Larson seconded the motion.

Vote: Marion Esty, aye; Darrell Carman, aye; Mayor Hobart-Hardin, aye; Sandra Larson, and T. J. Brooker, aye.

The consent agenda as approved included Minutes for May 24, 2010, Accounts Paid for May 2010, and the Public Works Activity Report for May 2010.

3. DEPARTMENT REPORTS

a. FROM MAYOR/COUNCILORS

Mayor Hobart-Hardin said the City hosted a Mayor's meeting on June 9th which was attended by several Lane County mayors. There was a lively discussion regarding the Lane Area Commission on Transportation (LACT) Bylaws. The last step is getting the bylaw approved by Lane County Commissioners on June 23rd. Once approved, the bylaws will be forwarded to the Oregon Transportation Commission. Also, because of state budget cuts, the state may be planning on retaining state collected revenues and not passing them on to many rural communities. This topic has been brought to the League of Oregon Cities as a major agenda item at the upcoming legislative session.

T. J. Brooker attended the Territorial Sports Program (TSP) fundraising auction on Saturday, June 5. He was part of the Veterans of Foreign Wars (VFW) who operated the concession stands so the TSP folks could participate in the event. Things went very well.

Mayor Hobart-Hardin, Sandra Larson and members of the school district formed a committee to prepare a proposal that would create a more involved relationship between the City and the School District. The proposal was submitted to the Fern Ridge School Board and accepted.

Marion Esty has agreed to sit on the Senior Services Council for three more years and that Council will be overseeing long term care for many of our senior residents. She said many small groups are being developed to address this issue. Senior Services is hosting an event on Saturday June 26th at Shadow Mountain Vineyard. Tickets are selling for \$20 each.

4. STAFF REPORTS

a. COMMUNITY SERVICES DIRECTOR.....BRIAN ISSA

(1) Water Conservation Program

Mayor Hobart-Hardin thanked Kyle Roberts for all the work he put in to creating the Water Conservation Program. She thought the seasonable adjusted rates for peak usage, a school program, and the xeriscape pilot project at City Hall are great ideas and excellent ways to educate our residents.

Kyle said after receiving Council endorsement at the April 26th meeting to move forward with the Water Conservation Program (WCP) he completed the final WCP and requested the Council adopt it.

In response to a question from Sandra Larson, Ric said the WCP is included in the proposed budget.

MOTION: T. J. Brooker made a motion to adopt the Veneta Water Conservation Program. Darrell Carman seconded the motion.

In response to a question from Darrell Carman, Kyle said water recovery programs such as using rain barrels are part of the educational program.

MOTION: Vote of 5-0.

(2) Sewer Rate Increase

At the March 8, 2010 meeting the City Council adopted Option B of the Wastewater Rate Analysis prepared by FCS Consulting. Option B called for a 12.66% increase over the next three years beginning with an 8.66% increase in 2010. Staff recommended that

resolutions be adopted to increase the sewer rates on the following schedule: 4% on April 1, 2010 and July 1, 2010; 2% on January 2, 2011 and July 1, 2011, 1% on January 1, 2012 and 2% each July 1st thereafter. On March 8, 2010 following a public comment session, the Council adopted Resolution 1020 implementing the first 4% sewer rate increase effective April 1, 2010. Staff provided Resolution 1024 which implements the second 4% increase to become effective July 1, 2010 and will repeal Resolution 1020.

After the public comment session, staff recommended the Council adopt Resolution 1024 as presented.

(a) Public comments

Pony Gilbert, 87827 Territorial Rd., Veneta, OR

Mr. Gilbert understands better than some the complexities of the water and sewer systems in the City and he understands the importance of taking care of water issues. He said he helped build the sewer system in Veneta when he was employed by Brundidge Construction. He is also a member of the Long Tom Watershed Council. He supports the rate increase, even though it's going to cost him. He suggested the City focus on educating residents about the City's water and sewer infrastructures.

(b) **Resolution 1024 – A RESOLUTION ESTABLISHING SEWER CONNECTION CHARGES AND MONTHLY BASE FEES FOR USERS OF THE VENETA MUNICIPAL SEWER SYSTEM AND REPEALING RESOLUTION NO. 1020.**

MOTION: Sandra Larson made a motion to approve Resolution 1024. Marion Esty seconded the motion which passed with a vote of 5-0.

(3) 2010 Well field Evaluation Report prepared by GSI

The City contracted with GSI Water Solutions, Inc. to prepare the City of Veneta 2010 Well Field Evaluation Report. This report was commissioned by the City to help determine the current state of the City's well infrastructure as well as how and where future domestic well sites could be located. Much of the report is technical and reiterates some information that has been previously published in other reports. The Well Interference and Well Field Expansion sections highlight the many challenges we are facing regarding the development of future wells. The entire report was over 180 pages. The report confirms Brian's thought that the area where the water is available is in a restricted area and the further the well is from the treatment plant, the higher the cost of the water will be. Also wells near one another create interference between the two wells.

The council thanked Brian for the report.

b. CITY RECORDER.....SHERYL HACKETT

(1) Draft Business Registration Ordinance

As directed by the Council at the May 24, 2010 meeting, staff drafted a business registration ordinance that would better address door-to-door solicitors. Due to the number of changes to the ordinance staff will propose the ordinance repeal and replace the existing ordinance. Legal Counsel reviewed the proposed ordinance and is making a few minor changes. Staff also recommended the Council adopt a fee resolution adding a new fee for itinerant businesses which will help offset the additional staff and law enforcement time needed to monitor these types of businesses.

Staff recommended the Council direct staff to finalize the ordinance for adoption by emergency at the June 28, 2010 meeting and also finalize the new fee resolution.

In response to a question from T. J. Brooker, Sheryl said food service vendors, such as the Schwan Food Service trucks, do not fall under the door to door sales category.

It was the consensus of the Council to change the wording to read “. . . decrease the number of non residents on the streets at evening”. As well as direct staff to have legal counsel wordsmith the clause in question and bring it back to the Council for adoption by emergency at the June 28th council meeting.

In response to questions from Darrell Carman, Sheryl said a solicitor is considered an itinerant business but the City needs to be careful not to exempt political campaigning which may limit residents' free speech.

c. CITY ADMINISTRATOR.....RIC INGHAM

(1) Update on Rural Development Funding for Pipeline Project

Ric provided an update to the Council on the water pipeline project from Eugene to Veneta. It is no where near the range of a 35 to 45% grant package that Rural Development (RD) implied in 2009. However it does contain a \$2.65 million grant and two 40 year loans: one for \$7,033,000 and one for \$6,000,000, respectively, at 3.25% interest.

As early as two weeks ago, all pending RD applicants in the state of Oregon were being told not to expect funding. At that time our entire congressional delegations got involved and rectified a situation that had been unraveling in RD's Portland office since January. Unfortunately, along with the congressional effort to restore the funds came a much shorter timeframe in which to evaluate the funding package and the time given to the City in which to agree to the terms and conditions of the funding package. We are now being told that we should expect to see the award letter in the next few days and will have no later than the end of the month in which to accept the funding package.

There are many unanswered questions as we attempt to meet RD's unrealistic timeline. At the Council's direction, staff will continue to focus its attention on completing a financial analysis of the proposed funding package. To aid in those financial decisions the City has engaged FCS Financial Group and Murray, Smith & Associates to help compare the proposed funding package, resulting rates, and System Development Charges against the recommendation in the Water Master Plan that would have us constructing wells for the next 10 - 20 years to meet our drinking water needs.

Staff is requesting consensus from the Council on whether or not to proceed on evaluating and comparing the proposed funding package provided by RD on June 10, 2010.

Mayor Hobart-Hardin said this is a major issue for the Council at this time. She felt the City needs to have a long term goal in that the pipeline project would allow us a secure water system for 100 years. Water exploration could do the same but there's no guarantee.

Marion Esty agreed and felt the image we are projecting is positive.

Darrell Carman agreed that well exploration seems bleak.

In response to a question from Sandra Larson, Ric said the cost of the water pipeline is \$16.6 million. The City would still need to finance \$1 million (outside of RD's \$2.65 million and \$13 million grant/loan package) for a stretch of pipeline that EWEB wants for their future growth. The City has \$13 million targeted for funding future capital projects over the next few years. Well exploration would require 10 to 12 wells for future water sources.

In response to a question from T. J. Brooker, Brian said the \$13 million for capital projects does not include storage construction but regardless of where the water comes from we will still need to construct additional water tanks and systems.

T. J. Brooker said the pipeline would create a major water rate increase for residents. The real issue is the financing package isn't nearly as attractive as what we were led to believe. \$2.65 million is better than nothing at all and the 3.25% interest rate is low but he questioned how this will effect future financial obligations of the City. There are many things to think about and it feels like RD is rushing us and we're not given many options. He suggested possibly holding the RD funds aside and give the money back if the City decides to not pursue the pipeline. There are too many "what ifs" and it's a big decision for the Council to make without further information. However, he doesn't want to see the process stopped.

Ric said we wouldn't move forward until we had 99.9% of the funding put together. All the studies have been completed with no environmental impacts and no negative findings or comments were received by major agencies. The big issue is if we can work through the financial process and if Eugene and EWEB are able to work through the validation process.

Darrell Carman felt this is a win/win situation for EWEB and questioned why they aren't footing some of the bill. Ric said 85% of their business comes from electricity and they are chartered under the Eugene City Council. EWEB has other wholesale customers and they have to treat all of them the same. We cannot really look at them to provide funding for this project.

T. J. Brooker said we can work with a 40 year contract. Once we have the water, we know more businesses and residents will come to the City and hopefully more industry. We need to be able to meet those future demands.

Mayor Hobart-Hardin said one of the City's long term goals is economic development and how do we address that if our water capacity isn't there. The pipeline would allow the City to move forward with that goal. We need to conserve for future use.

It was the consensus of the Council to direct staff to proceed with the pipeline.

Brian said two-thirds of all water usage is for irrigation.

(2) Lane County Sheriff's Contract

The public safety contract with Lane County Sheriff's Office (LCSO) expires June 30, 2010. The new contract provided by LCSO will expire June 30, 2011 and includes a 2.5% cost increase but also includes increased coverage. Staff recommended the Council approve Ric Ingham sign the contract on behalf of the City.

In response to a question from Darrell Carman, Ric said the contract amount was provided to the City two months ago so it was included in the 2010/2011 budget.

MOTION: T.J. Brooker made a motion to approve the City Administrator sign the contract with Lane County Sheriff's Office. Marion Esty seconded the motion which passed with a vote of 5-0.

(3) Lane County Fire District No. 1 Chief Marty Nelson Retirement

Ric asked if the Council could attend the retirement party for Chief Nelson on Sunday, June 27th at the fire station and asked for acknowledgement suggestions for Chief Nelson.

After a brief discussion, it was the consensus of the Council to purchase a \$250 brick for Chief Nelson when the next pool fundraising campaign begins. A mocked brick would be presented to Chief Nelson at the retirement party.

5. OTHER

Brian said the pool will open Saturday, June 19th but will not be advertised. The grand opening will be Saturday June 26th with free swimming on Saturday and Sunday. Staff continues to work on getting the contractors finished up and off site so staff can start outfitting the pool. Telephone lines were not included during construction so they will need to be installed as soon as possible. The funds from not installing the pool anchors have been spent and we will probably have to spend some of the contingency funds. The gates at the front of the building designed to allow air flow also allow small animals to enter the area. To address the problem, bids for glass windows that open out will be requested. The Lane County Fire District No. 1 donated the defibrillator.

Ric said the June 28th Council and Urban Renewal meetings will include public hearings on the adoption of the 2010-2011 budgets. Staff worked through final budget documents which will be published in the Register Guard on Wednesday, June 23rd.

Construction on the West Broadway Redevelopment Project began with falling trees and clearing brush. Bids on construction of the transit center closed last week and the contract will be awarded to Brown Construction. Their bid was \$30,000 less than Wildish and Delta Construction and \$40,000 less than the engineer's estimate. The bid for the monumentation also came in considerably less and staff is working with Lane Transit District to get that contract awarded tomorrow.

Weber Elliott Engineers, P.C. have dissolved their engineering firm and Doug Weber and Jerry Elliott have gone their separate ways. Mr. Weber owned 51% of the company and will continue with his engineering firm. The City has two projects we need to complete; the conclusion of the East Bolton Local Improvement District and the final design of the UV expansion at the wastewater facilities. Ric said the City will put out a Request for Proposal (RFP) for soliciting a new engineering firm.

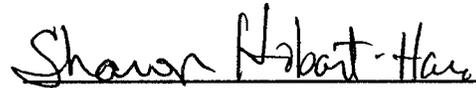
Ric said several staff members have been putting in extra hours because of the staff shortage. Currently some staff members are close to exceeding the compensatory cap. Ric requested that the Council temporarily lift that cap in the employee handbook. If the Council feels comfortable granting this request now, staff will provide a resolution at the June 28th meeting to formally lift the cap.

Staff provided information to the Council at the last meeting about free swim passes to Councilors, Planning Commissioners, Parks Board, etc. Staff recently discovered that this would be a form of compensation and would be considered a benefit. Staff will provide a document for Councilors and other volunteers to sign if they chose to decline the benefit otherwise the swim passes will be required to be included on the quarterly Statement of Economic Interest forms.

Ric provided an update on Highway 126. ODOT is getting ready to authorize funds and start the analysis for that project, Senator Merkley got the senate to set aside \$1.6 million to get this project started.

6. ADJOURN

Mayor Hobart-Hardin adjourned the Veneta City Council at 8:52 p.m.


Sharon Hobart-Hardin, Mayor

ATTEST:



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