

# Minutes of the Veneta City Council

## September 12, 2011

Present: Brittany Boothe, Thomas Cotter, Marion Esty, and Sandra Larson

Absent: Mayor Sharon Hobart-Hardin

Others: Ric Ingham, City Administrator; Shauna Hartz, Finance Director; Brian Issa, Community Services Director; Kyle Schauer, Public Works Superintendent; Chris Workman, City Recorder/Human Resources and Risk Management Administrator, Darci Henneman, Assistant City Recorder; Tucker Barnes, Tristan Cornelius, Micah Cornelius, Cooper Barnes, Tyler Peale, Rebecca Nohrenberg, Scottie Barnes, Kathi Jaworski, Gina Haley-Morrell, and Joan Mariner, Fern Ridge Review

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Council President Sandra Larson called the Veneta City Council to order at 7:01 p.m.

### 1. PUBLIC COMMENT

None

### 2. FERN RIDGE MIDDLE SCHOOL SCIENCE TEAM PRESENTATION

- a. Sixth Grade Team – “Rescuers”
- b. Eighth Grade Team – “Power on Demand”

Both teams traveled to Washington D.C. at the end of June to compete at the national level of the eCybermission program sponsored by the US Army in an effort to promote science, technology, engineering and mathematics (STEM) education in our schools.

Council president Sandra Larson congratulated the two teams on behalf of the City of Veneta and the Veneta City Council and read the proclamation declaring September 19, 2011 Science Day in the City of Veneta.

Power on Demand (POD) thanked the Council for the input they gave when the teams visited on June 13<sup>th</sup>. Tucker Barnes said based on the Council suggestions POD rewrote their presentation. They felt the change helped them win the national title for their age group.

Sandra Larson asked the teams to introduce themselves. POD consisted of Tucker Barnes, Tristan Cornelius and Connor Magid (not present). The Rescuers consisted of Micah Cornelius, Tyler Peale, Rebecca Nohrenberg and Cooper Barnes.

Team advisor Scottie Barnes said both teams met with Senator Merkley and talked about their project for about 30 minutes. On July 13<sup>th</sup>, about three weeks after their meeting, Senator Merkley wrote a \$500,000 request into the budget for STEM education in the state of Oregon.

Cooper Barnes said his favorite part of the trip was “Army Lab Day” where they looked at army technology such as driving robots, extracting DNA, and trying on body armor.

In response to a question from an audience member, Tucker Barnes said POD members each received \$6,000 in U.S. series EE Savings Bonds; \$1,000 for placing first at the state competition and \$5,000 for placing first at the national level. The Rescuers each received \$1,000 for placing first at the state level and \$2,000 for placing first at the regional level.

Tristan Cornelius said his favorite part of the trip was going to the World War II Monument and the food.

Tucker Barnes said his favorite part of the trip was making new friends as well as seeing friends he met two years ago. Micah Cornelius and Tyler Peale agreed the people were great.

Scottie Barnes, team advisor for both teams said her favorite part was watching both teams work on their projects and seeing their skill sets expand. It was a great experience for all of them.

Sandra Larson thanked both teams for representing their generation so well.

### 3. CONSENT AGENDA

**MOTION:** Thomas Cotter made a motion to approve the consent agenda as presented.  
Marion Esty seconded the motion.

**Vote:** Marion Esty, aye; Thomas Cotter, aye; Sandra Larson, aye; and Brittany Boothe; aye.

The consent agenda as approved included Minutes for July 28, 2011 and August 8, 2011, and Accounts Payable through September 6, 2011.

### 4. DEPARTMENT REPORTS

#### a. FROM MAYOR/COUNCILORS

Marion Esty is on the Senior Services Long Term Care Committee which is currently working on developing services in Eugene. On September 8<sup>th</sup>, the Fern Ridge Library Foundation Committee met. She said the Committee is a very energetic group. They meet twice a month.

Brittany Boothe is participating in the Ford Family Leadership classes which began last week. She is looking forward to participating in the classes.

Sandra Larson attended the school board work session where it was decided to eliminate return transportation from sporting events that are less than 45 miles away. The upper structure at Noti Elementary suffered structural roof damage last winter. The building will more than likely be torn down. There is no news about the theft of personal property belonging to the football team when they played at Pleasant Hill High School last Friday. The principal at Pleasant Hill High said a reward will be offered. The Lane County Sheriff's office is investigating. The stolen property was valued at about \$2,500. The Veneta Park Board and the City of Veneta received the outstanding project award from the MACS Board (Maintenance and Construction Section of the Oregon Recreation & Parks Association). This is the group that assisted with the installation of the Fern Park play structure. The Park Board also discussed specific events they want to focus on as well as what events they will corroborate on with other groups.

#### b. COUNCIL/COMMITTEE LIAISONS

### 5. STAFF REPORTS

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

##### (1) Temporary Reduction of Transportation SDC

At the August 8<sup>th</sup> Council meeting staff was directed to look into the possibility of temporarily reducing the City's current Transportation System Development Charges (SDCs) in order to promote commercial development in Veneta and to provide some examples of how SDCs are applied to specific types of development. Brian outlined two examples of recent Transportation SDC estimates for commercial and residential development within the City. Commercial development SDCs are nearly 75% transportation of all SDCs. Transportation SDCs are based on trip generation; for example, a restaurant or gas station would have higher transportation SDCs than an auto parts store. The Council could reduce the fee associated with transportation SDCs but there's very little statutory guidance. A reduction could be based on geographic location or specific types of developments that target commercial but not residential. It's also unclear if the methodology would apply and changing the methodology is

a very lengthy process. Changing the fee is much easier and more efficient. Brian reminded the Council that the transportation SDCs are Capital Improvement funds which, among other projects, are used to build needed roads, i.e. Hunter, Perkins, which are not up to City standards. The SDC Fund is less than \$70,000 with over six million dollars in Capital Improvement Projects. Staff recommended a temporary credit or reduction lasting six to 12 months by way of a Resolution.

In response to a question from Thomas Cotter, Brian said the statute is specific that SDCs cannot be tailored based on the number of employees an employer might provide. Brian said the City needs to be very careful about treating everyone equally.

Ric said property taxes can be frozen but not SDCs, and only the State of Oregon can designate an enterprise zone.

Ric said based on research Kyle Roberts conducted, since 2008 three to six local communities reduced their transportation SDCs and the majority of those cities did so by reducing the fee. This option appears to be the least challenged.

In response to a question from Sandra Larson, Brian said an estimated 10 residential units could be built in the next 12 months. Transportation SDCs per unit are about \$1000 which wouldn't be that big of a hit.

In response to a question from Thomas Cotter, Brian said legal counsel is still determining if it's legal to differentiate between residential and commercial SDCs.

Thomas Cotter said he is in favor of a reduction in transportation SDCs for commercial construction but not residential.

In response to a question from Brittany Boothe, Brian said because transportation SDCs are the largest portion of all SDCs collected staff would like to focus on them.

Ric said Hayden Homes has a specific business model and they don't want houses to sit longer than they need to. The difference of \$1,000 per unit is not an issue for them.

In response to questions from Brittany Boothe, Ric said the City needs to be cautious when changing residential construction fees only and not commercial. The first entity to challenge those fees is the Home Builders Association wanting to know why residential development isn't included. Staff has reviewed reducing transportation SDCs since this economic downturn in an attempt to see businesses come to the area. In Eugene, any business planning to come to the area will probably occupy an existing building where SDCs have already been paid. In Veneta, where we have limited empty buildings, businesses need to build, hence the corresponding SDC costs. Any options the Council wanted to initiate would first need to be reviewed by legal counsel which could be upwards of \$15,000 in legal fees.

In response to questions from Thomas Cotter, Brian said if the Council directed staff to draft a resolution changing the fee (which wouldn't affect the methodology) it would be a simple process. The more conservative route implementing the reduction through the methodology process would take close to three months.

In response to a question from Thomas Cotter, Ric said Hayden Homes entered into an SDC deferment agreement for up to 10 homes at a time. The agreement allows all SDCs to be paid when the homes are sold and not prior to construction. Currently the agreement has been met and staff doesn't think Hayden Homes will build more than four to five homes at a time.

**MOTION: Thomas Cotter made a motion to direct staff to draft a resolution implementing a fifty percent (50%) reduction in all transportation SDCs to be valid until June 30, 2012, at which time it may be extended if desired by the Council. Marion Esty seconded the motion which passed with a vote of 4-0.**

- (2) Applegate Landing Tree Violation Update  
Hayden Homes was fined \$1,000 for removing the protective fencing around a heritage tree which sits on a lot adjacent to the new construction. The protective fencing was re-established and the construction impacted about 10% of the root zone but didn't sever any major tree roots. The tree should be okay.

In response to a question from Sandra Larson, Brian said a public works employee discovered the situation and reported it to Kyle Schauer.

In response to a question from Brittany Boothe, Brian said the \$1,000 will go into the Tree Fund which is used to purchase and plant trees.

b. PUBLIC WORKS SUPERINTENDENT.....KYLE SCHAUER

- (1) Award of Construction Contract for the UV Wastewater Disinfection System Improvement Project (Project T-6 of the Wastewater CIP)

In April 2011, Kyle brought a request to the Council which was approved to move forward with the design and purchase of equipment for a planned Ultra Violet (UV) system upgrade. The design phase is now completed. It went out for bid and five responses were received. The lowest and most responsible bid came in at \$175,050 from Cascade Water Works which included an alternative stainless steel liner. It was decided the alternate was very cost effective and would give more longevity to the project. The combined bid including the stainless steel liner totaled \$189,050. The letter of intent to award the contract went out and the appeal process has expired. Staff is requesting authorization to include a 5% contingency to the contract which brings the total project cost to \$198,500. This project is identified in the Capital Improvement Plan and was included in the FY 2011-12 adopted budget.

**MOTION: Thomas Cotter made a motion to authorize the acceptance of Civil West Engineering's recommendation to enter into a contract with Cascade Water Works, Inc. for a total not to exceed \$189,050 to complete the Ultra Violet (UV) Wastewater Disinfection System Improvement Project and to authorize the proposed contingency for the project for a total authorization of \$198,500. Brittany Boothe seconded the motion which passed with a vote of 4-0.**

- (2) Engineering Proposal from Civil West Engineering for Construction Services for the UV Wastewater Disinfection System Improvement Project

Kyle said this project is identified in the Capital Improvement Plan and was included in the 2011-12 adopted budget. On December 20, 2010, the Council approved Civil West Engineer's proposal to design the UV Wastewater Disinfection System Improvement Project and on April 11, 2011 the Council approved the purchase of UV equipment for the project. The equipment is scheduled to be delivered in October. Staff is recommending the Council authorize staff to accept Civil West's engineering's proposal to provide construction services for the UV Wastewater Disinfection System improvements project for an amount not to exceed \$47,080. Kyle expects this amount to be lower because of a few design changes and the City public works crew can do some of the work.

**MOTION: Thomas Cotter made a motion to authorize the acceptance of Civil West Engineering's proposal to provide construction services for the Ultra Violet (UV) Wastewater Disinfection System Improvement Project for an amount not to exceed \$47,080.00. Marion Esty seconded the motion which passed with a vote of 4-0.**

- c. CITY RECORDER/HR & RM ADMINISTRATOR.....CHRIS WORKMAN  
(1) Council Directive Status Report Program Recommendation

To assist with the Council request at the last Council meeting, Chris is proposing providing a Council Directive Status Report on specific Council directives given during Council meetings. This report will also capture public comments/complaints made at Council meetings. Directives will be added to the report when a clear consensus of the Council is given to staff. The status report will be included in Council packets as a consent agenda item. Teresa, Code Enforcement Officer will provide a Significant Activities Report to the Council on a quarterly basis. A third quarter report (July, August and September) will be presented to the Council at an October meeting.

**MOTION: Thomas Cotter made a motion to request a Council Directive Status Report from City staff be included in each City Council meeting packet as a consent item. Brittany Boothe seconded the motion which passed with a vote of 4-0.**

- d. CITY ADMINISTRATOR.....RIC INGHAM  
(1) Wineries without Walls Operational Fund Package

In November 2010, the Fern Ridge Chamber of Commerce (Chamber) Board proceeded to get the Wineries without Walls (WwW) project off the ground. In May, 2011 the Council approved a \$4,000 grant and a \$5,000 loan to build the tasting room in the Chamber offices as well as hire Kathi Jaworski to prepare a business plan which has been provided to the Council in tonight's meeting packet. The business plan revealed there is a lot of viability in the project, i.e. good foot traffic and sales numbers. Much of the project focused on creating some economic activities; however, it was well known that the Chamber would need additional funds to move forward with the project.

Ms. Jaworski reviewed the business plan with the Council and introduced Vicki Piva, the tasting room coordinator. Ms. Jaworski said there are 34 wineries within 25 miles of Veneta in which half don't have tasting rooms. In creating a tasting room in its existing visitor's center the Chamber continues to be a launching pad for those wineries that lack their own tasting rooms. By the end of the third season WwW is forecasted to generate approximately \$57,000 in annual income and will have sufficient sales to cover operating costs. WwW is an economic development project but it's forecasted to break even within three years. The Chamber is requesting \$20,000 in working capital investment in economic development project funding to support the project through the point of break-even.

Fern Ridge Chamber of Commerce President Gina Haley-Morrell said the WwW grand opening is planned for the Thanksgiving weekend. The Chamber has been granted their Oregon Liquor Control Commission (OLCC) liquor license. This year WwW will have seasonal hours from Labor Day to the day before Christmas. Next year the Chamber is hoping WwW will open in May and run through Christmas. At this point WwW is not a money making venture but it will provide a place where people can purchase wine and the possibility is there to provide many different long term jobs. The soft opening was held during the Labor Day weekend where 30 bottles of wine were sold. On Saturday, September 10<sup>th</sup> an additional 13 bottles were sold. Comments made in the guest book were all positive – "great addition to Veneta; nice wines; impressive; what a great idea; we've needed this". Ms. Haley-Morrell was confident the Chamber can take the WwW project on.

Ric said the Chamber has worked diligently to set up the tasting area at the Chamber as well as creating their Business Plan. Now the City is looking at mutually investing in the WwW program as opposed to providing start up capital which would include a repayment schedule. Staff would like to work through the mechanics to provide investment funds to the Chamber who is currently shouldering the entire WwW program which is a huge burden. Add to that a repayment schedule which could be harmful to the project and their ability to repay that loan is many years out.

In response to questions from Sandra Larson, Ric said the \$9,000 provided to the Chamber consisted of a \$4,000 grant and a \$5,000. The status of the loan could change. Those funds were used to create the WwW space at the Chamber and the Business Plan Summary included in tonight's packet. Ric said the Council directed staff to research the origin of the Business Development Loan Fund. Resolution 790 was approved by the Council on June 28, 1999 which converted the Housing Rehabilitation Loan Fund to the Housing Rehabilitation and Business Development Loan Fund. The resolution states ". . . loans can be made from the fund in accordance with rules and regulations of the fund . . . ." However, rules and regulations cannot be found. Staff has concluded that the rules and regulation weren't created because no one came forward requesting the funds. Now staff needs direction from the Council on how to administer those funds, i.e., through grants or loans.

In response to a question from Thomas Cotter, Ms. Morrell said the loan agreement included a monthly payment amount of two hundred and some odd dollars after two years.

Sandra Larson attended the WwW soft opening and was very impressed with how well the space was used.

Thomas Cotter said as an investment for the City it was a good idea to make the Housing Rehabilitation and Business Development Loan funds available to the Chamber.

In response to questions from Brittany Boothe, Ric staff will need to draft the rules and regulations in order to administer the Housing Rehabilitation and Business Development Loan Fund. He said these funds could be available to the business that backed out of the property purchase with Mr. Demers because the SDCs were too high.

Brittany Boothe said she enjoyed the second opening of WwW. She was impressed with the overall feeling, it seemed very positive and she was pleasantly surprised by the positive comments.

In response to a question from Brittany Boothe, Gina Haley-Morrell said the Chamber is planning a WwW signature event to assist with overhead and rent. She is confident the Chamber will continue to be able to pay their rent.

Ric felt the economic downturn is keeping members from rejoining the Chamber. The membership numbers depleted because of previous problems the Chamber had. However the Chamber succeeded in becoming a state recognized visitor's center. In the future, the City would like to see the Chamber move to the downtown core.

In response to a question from Brittany Boothe, Gina Haley-Morrell said currently one winery is a member of the Chamber and the other wineries may be asked to join the Chamber next year.

Kathi Jaworski said the wineries participating in the WwW program signed a vendor agreement which states they are not required to be a Chamber member in the first year but they may be required to join in the future.

Sandra Larson said having the wine maker in the tasting room adds a lot to the experience.

After a brief discussion it was the consensus of the Council to direct staff to move forward to development rules and regulations to accomplish the goals to make the Business Development Loan Fund available to local businesses.

(2) National Take Back Initiative III

For the last three years the Oregon Department of Justice has been actively promoting getting expired prescription drugs out of circulation rather than the prescriptions ending up in the waterways and landfills. In order for the City to participate in this program the City Council has to approve it. The Lane County Sheriff's office will do all the foot work to have this program take place in their contracted cities. The program is scheduled in Veneta on Saturday, October 29<sup>th</sup>, at the Community Center.

After a brief discussion, it was the consensus of the Council to direct staff to take the necessary steps to participate in the National Take Back Initiative.

(3) Street Closure Permit

Ric said the Fern Ridge Service Center Partners subcommittee (FRSCP) is hosting the Harvest Festival, a fundraising event to support long term operation and maintenance of the service center after it's built. Last year, the Harvest Festival was held in the parking lot of Veneta Elementary because the improvements to West Broadway were not finished. The subcommittee has submitted a street closure permit in order to relocate the Festival to the downtown area where the new service center will be built. If approved, the permit will close West Broadway from Territorial to Third Street and from Second Street to Waldo Lane. The subcommittee is requesting the Council at their discretion to waive the \$40 permit fee as well.

(4) Noise Variance Application

Ric said the Fern Ridge Service Center Partners subcommittee (FRSCP) is requesting Council, approval of the noise variance application to allow for the live music that will play at the festival. There is no fee associated with this application.

(5) Harvest Festival Request for Rural Tourism Marketing Program (RTMP)

The FRSCP subcommittee is requesting the Council to authorize \$110 donation from the Rural Tourism Marketing Program (RTMP) to assist with the cost to print posters.

In response to a question from Brittany Boothe, Ric said the City receives revenue from County room tax which comes to the City through the Rural Tourism Marketing Program.

In response to a question from Thomas Cotter, Ric said music will only be played from 10 until 4:00 p.m. The application stated the music will end at 9:00 p.m. This is a typographical error.

In response to a question from Marion Esty, Ric said the street closures will not affect traffic coming and going to the Veneta Post office on Dunham. Only West Broadway from Territorial to Third Street will be closed.

**MOTION: Thomas Cotter made a motion to approve the noise variance application; the street closure application, waive the \$40 application fee, and make a \$110 donation to assist with the cost of printing event posters. Marion Esty seconded the motion which passed with a vote of 4-0.**

**6. OTHER**

Ric said April 8, 2012 will mark the City of Veneta's 50<sup>th</sup> anniversary. The City was incorporated on April 8, 1962. With the Senior Center and the pipeline project he's not sure how much time staff can put into organizing some kind of anniversary celebration. He would like one or two Council members to

volunteer to head an organizational committee to work on recruiting other community entities and residents to plan some kind of community celebration. Staff would get a meeting announcement in the paper.

After a brief discussion, it was the consensus of the Council to direct staff to publish a meeting announcement in the Fern Ridge Review in order to get an idea of the level of community involvement. Brittany Boothe volunteered to represent the Council at the first meeting.

Sandra Larson and Brittany Boothe are interested but are not sure where to start.

In response to a question from Brittany Boothe, Ric said unfortunately, an anniversary celebration line item wasn't created in the 2011-12 adopted budget however, some discretionary funds can be used.

Sandra Larson would like to wait until the Mayor is present at the September 26<sup>th</sup> meeting to make any decisions.

Ric said the City was awarded the 1.5 million dollar Community Development Block Grant (CDBG) for the Fern Ridge Service Center. It will be another month before we see a contract from the state of Oregon and the architect should be on board by the first of the year with the construction phase beginning next summer (2012).

The Fern Ridge Review now has the ability to publish legal and public notices for the City.

Shauna said the City auditors were here in August to perform some preliminary work. They will return for a day or two at the end of October to finish up the audit process.

Council President Sandra Larson temporarily adjourned the Veneta City Council at 8:46 p.m. and opened the Veneta Urban Renewal Agency meeting. At 8:48 p.m. Council President Sandra Larson adjourned the Veneta Urban Renewal Agency meeting, returned to the regular City Council and opened the Executive Session at 8:49 p.m.

## 7. EXECUTIVE SESSION

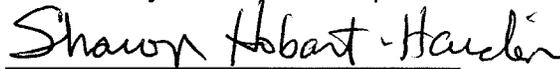
ORS 192.660(2) b (i) City Administrator Compensation Adjustment

After making no decisions Council President Sandra Larson closed the Executive Session of the Veneta City Council at 8:53 p.m. and returned to the regular City Council meeting.

**MOTION: Thomas Cotter made a motion to approve the City Administrator's compensation package as provided by the City Administrator Evaluation subcommittee to be retroactive from the August 26, 2011 pay period. Marion Esty seconded the motion which passed with a vote of 4-0.**

## 8. ADJOURN

Council President Sandra Larson adjourned the Veneta City Council at 9:00 p.m.

  
Sharon Hobart-Hardin, Mayor

ATTEST:

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