

Minutes of the Veneta City Council

January 9, 2012

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

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; Kay Bork, Associate Planner; and Darci Henneman, Assistant City Recorder

Mayor Hobart called the Veneta City Council to order at 7:05 p.m.

1. STATE OF THE CITY ADDRESS – MAYOR SHARON HOBART

Mayor Hobart read her state of the city address; a copy of which is attached hereto and incorporated herein.

2. PUBLIC COMMENT

None

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; Mayor Hobart, aye; Sandra Larson, aye; and Brittany Boothe, aye.

The consent agenda as approved included Minutes for December 12, 2011, Accounts Payable through January 3, 2012, Public Works Activity Report for December, 2011, and the 4th quarter Code Enforcement Significant Activities Report.

4. DEPARTMENT REPORTS

a. FROM MAYOR/COUNCILORS

(1) Election of Council President

Mayor Hobart said a Council president is elected at the first meeting of each odd-numbered year, therefore Sandra Larson would continue as Council president until 2013.

(2) Liaison Appointment to Committees

Mayor Hobart made the following appointments: Marion Esty would continue as the Senior Service liaison; Thomas Cotter would continue as the Lane Area Commission on Transportation (LACT) liaison and Lane Council of Government (LCOG) alternative liaison. Mayor Hobart would continue as the LCOG and Administrative liaison; Sandra Larson would continue as the Fern Ridge School District 28J liaison; and Brittany Boothe would take over as the Veneta Park Board liaison and continue as the alternate School District liaison.

MOTION: Thomas Cotter made a motion to approve the ratification of Mayor Hobart's appointments. Marion Esty seconded the motion which passed with a vote of 5-0.

(3) Mayor Hobart to re-appoint Lily Rees to Veneta Planning Commission

Mayor Hobart said Lily Rees has been on the Veneta Planning Commission for a number of years and is an invaluable member of the Commission. Mayor Hobart thanked Ms. Rees

for her continued service to the community and reappointed her to the Veneta Planning Commission for another four year term.

- (4) Contribution to the Jim Petty Memorial Fund
Mayor Hobart said the Mid Lane Community Partnership would like to reestablish the youth scholarship sports fund by renaming it the Jim Petty Memorial Fund. She said this is a wonderful way to remember Mr. Petty for all that he did for our area youth. Mayor Hobart suggested a \$250 donation from the discretionary fund.

Sandra Larson said that would be very appropriate.

Brittany Boothe said making a donation would be a great way of honoring Mr. Petty.

MOTION: Thomas Cotter made a motion to approve \$250 donation to the Jim Petty Memorial Fund. Brittany Boothe seconded the motion which passed with a vote of 5-0.

b. COUNCIL/COMMITTEE LIAISONS

Brittany Boothe continues to work on the City's 50th anniversary event. The event will be July 21st.

Thomas Cotter said the January Lane Area Commission on Transportation (LACT) meeting is cancelled. At the December meeting priority positions were discussed for different projects. January 24th there is a Highway 126 corridor study meeting at the high school. He encouraged attendees to attend the meeting and voice their approval to continue with the project.

Sandra Larson said the Fern Ridge Review is planning on doing a special section in the paper to coincide with the City's April 8th incorporation date. During a work session, the School District voted to surplus three properties but not necessarily for immediate sale; a 24 acre property on Perkins Rd., Noti Elementary, and a one acre cemetery deeded to the District prior to it becoming a School District. This property more than likely cannot be sold. The School District is requesting suggestions from the public on what they should do with the properties. Sandra Larson had to leave the last Park Board meeting early so she did not a report.

5. STAFF REPORTS

- a. Finance Director.....Shauna Hartz
 - (1) Financial Summaries for Current Projects

Larson Acquisition

Shauna briefly reviewed the Larson acquisition. This purchase was budgeted at \$450,000 and the net out of pocket was \$372,110. The total expenditures were somewhat more because the expenses have to be recognized without including the sale of acreage to the Oregon Country Far.

Health Insurance Premiums

Shauna said it was somewhat difficult to provide an exact comparison of health insurance premiums between the old and new plans because several employees changed the number of covered dependents when the switch was made January 1, 2012 to the high deductible health plan. Prior to the switch the City was paying \$233,395 a year for premiums. The estimate premium cost of the new plan is \$145,824, a decrease of roughly \$87,000. The savings will actually net out to about \$38,000 once the City makes the contributions to each employee's health savings account.

In response to a question from Mayor Hobart, Ric said staff estimated a ballpark figure of \$25,000 to \$50,000 in savings.

Pipeline Construction

Shauna provided a little background to the Council on why these spreadsheets are created. The project summary worksheets are a great tool for staff to monitor construction contracts and budget figures. Staff also uses the worksheets as an internal control; while one person is entering the figures on the spreadsheets, another staff person is balancing the spreadsheets to the accounting system. The spreadsheets are also reviewed by all management staff depending on their role in the projects. It is also a great way to catch mis-coded or mis-keyed figures. Shauna reviewed the Pipeline construction spreadsheet with the Council and asked if they had any questions.

Ultra Violet (UV) Expansion Project

This project has been going on for quite awhile. Shauna explained the components of the spreadsheet including the total to-date project costs.

In response to a question from Mayor Hobart, Kyle said substantial completion of this project should be within the next two weeks or so. This project is under budget.

b. Community Services Director.....Brian Issa

(1) Departure of Bond Lawyers from K & L Gates

Brian said last month, the City's Bond attorneys split from the K & L Gates law firm and joined the law firm of Hawkins Delafield & Wood, LLP. The attorneys that made this move have worked for the City and with Local Government Law Group for decades. If the City would like to continue being represented by them, authorization to take the City's files to the new firm is needed.

In response to a question from Mayor Hobart, Brian said the new firm is larger with multi-state law offices.

In response to a question from Sandra Larson, Ric said City attorney Ken Jones suggested the City make the move.

MOTION: Thomas Cotter made a motion to direct City Administrator Ric Ingham to sign the Client File Transfer Authorization. Marion Esty seconded the motion which passed with a vote of 5-0.

(2) Veneta Pipeline Update

Brian provided a brief update on a revised Notice of Intent to Sue letter received from Landwatch last week. The City was not listed as a party in the revised Notice, but USDA and U.S. Fish & Wildlife Service (USFWS) were. USDA requested clarification on points in the Notice regarding the Endangered Species Act. Staff met last week with USDA and USFWS representatives to review revising the Biological Assessment prepared by Nancy Holzhauser on behalf of the City to provide more clarification including any potential impacts within the Urban Growth Boundary (UGB) and expansion beyond the pipeline corridor to other potential impacts. Nancy Holzhauser said she can address the issue without a lot of extra work. Ultimately it will come down to USDA and USFWS and their attorneys deciding to back the project. The City's interim funding is based on USDA's commitment to the project because USDA funds will not be provided until the project is complete. The City needs confirmation from USDA that those funds are secured. USDA will need to assess their risk level as to whether they commit to the funding. Once USDA has provided the

assurance for securing the interim financing and once they are committed to those funds the City can go out to secure the interim funding needed for construction.

In response to questions from Mayor Hobart, Brian said the Intent to Sue has no expiration date but Landwatch is required to file it 60 days prior to filing suit. Brian said if Landwatch files a lawsuit in the next 60 to 90 days, USDA may wait and see how it plays out in the courts.

Ric said USFWS must determine how serious any potential impact the Notice of Intent to Sue may bring. USFWS will need to determine if this would require a formal consultation or an information consultation.

In response to a question from Mayor Hobart, Brian said staff put a lot of effort in providing a very thorough informal consultation, switching from informal to formal at this point would take little effort.

Brian said the design process should be wrapped up in March to early April. At that point USDA will approve the bid package but won't let it go out to bid until their attorneys have reviewed all the arguments and determined any risk of Landwatch filing after the project is started; Landwatch would have to win an injunction to stop the project and then they would have to prevail on their suit. Even though the City is not named in the suit, unfortunately, all the extra work done to address these concerns is a cost to the City because it's our project.

In response to questions from Thomas Cotter, Brian said the City is not paying USFWS but someone has brought up an Endangered Species concern so USFWS said the City needs to amend the biological assessment for clarification. Now it goes back to Nancy Holzhauser to provide that information in the format USFWS is requesting. Brian said it would not be cost effective to argue that Veneta will have growth with or without the pipeline but rather to just address Landwatch's arguments.

In response to questions from Sandra Larson, Ric said in all likelihood USFWS receives hundreds of Notices of Intent to Sue and only a small percentage proceed. Ric said USDA attorneys will thoroughly review the Intent to Sue and if they feel like it doesn't have merit they'll give the go ahead to move forward with the project.

- c. Associate Planner.....Kay Bork
(1) Approval of Lane Council of Governments (LCOG) Intergovernmental Agreements (IGA) for Community Development Block Grant (CDBG) Grant Administration and Environmental Review

The City Council is being asked to approve two Intergovernmental Agreements (IGA) with Lane Council of Governments (LCOG) related to the Fern Ridge Service Center CDBG grant. One IGA is for Grant Administration and Labor Standards Enforcement (for construction activities), and the other is for Environmental Review Services. Per CDBG grant rules the Environmental Review needs to be completed prior to any construction activity. Staff has worked with LCOG to draft two separate work plans to complete these tasks and the CDGB grant awarded to the City includes funding for these tasks for a total of \$31,550.

In response to a question from Thomas Cotter, Brian said FONSI is an acronym for "Finding Of No Significant Impact". By signing the contract the City is stating this project will not create an environmental impact.

Mayor Hobart said she was impressed with the amount of work that was needed and from a cost perspective this seems like a very efficient way to cover those CDBG grant requirements.

Ric said City staff could complete the tasks but we were not eligible to pay ourselves for the work. However CDBG funding would cover the cost to hire an outside consultant.

MOTION: Thomas Cotter made a motion to approve the Intergovernmental Agreements with Lane Council of Governments for CDBG Grant Administration and Environmental Review for the Fern Ridge Service Center and authorize City Administrator's signature. Marion Esty seconded the motion which passed with a vote of 5-0.

d. City Administrator.....Ric Ingham

(1) Changes to Business Assistance Fund Criteria

Ric said since the Business Assistance Fund (BAF) was approved by the Council in October, 2011, 10 applicants have requested information. The Loan Committee held two complete reviews; one was the Moose Lodge and the other did not comply with the program which will more than likely be appealed to the Council.

Because of the public's interpretation of the program, the Loan Committee requested the Council suspend the BAF program for 60 days and request the Loan Committee prepare recommended language that is more specific. For example language could be included that would require some kind of matching funds or new money that would leverage other resources. This program was not intended to be "free money". The Moose Lodge is a great example: the \$15,000 grant leveraged an additional \$55,000 and it's likely to leverage an additional \$50,000 from ART, Inc. The Loan Committee would like to see a four or five to one match for BAF dollars. There's only \$180,000 in the fund and certain limits on the recapitalization of those funds are included in the program rules. So unless the Council would like to entertain multiple grants the language should be tightened up.

Mayor Hobart said it would be a good idea for the Loan Committee to take a step back to review and refurbish the program to change the community's perception of the program. She said currently there are amazing rumors about the program and what it's offering. The program needs to be restructured and then staff needs to work on explaining and informing the community about the program.

Brittany Boothe agreed there's definitely room for improvement but she also felt the program materials were very thorough and asked how have residents misunderstood the program guidelines?

Ric said the decision rendered for the first request of a \$25,000 grant set a precedent. The Loan Committee has viewed subsequent and now feel that a specific ratio should be put in place for grant dollars and matching dollars.

Thomas Cotter said the loan portion of the BAF is intended to be a revolving loan fund. Repayment of the loans would keep the program funded.

In response to a question from Brittany Boothe, Ric said the Chamber received some Economic Development funds and the Moose Lodge was awarded a forgivable loan/grant package.

Mayor Hobart said businesses are considered for-profit and would fall into a loan category and not a grant.

Ric said grants will be awarded to those non-profits that leverage the greatest amount of new resources. The leverage issue is the key whether it's a non-profit or for-profit and working with the City's limited dollars to leverage and bring other projects back to the community.

Thomas Cotter suggested a Council work session be held if more time is needed to fine tune the BAF rules and procedures.

Ric said the Loan Committee has acted as a filter for the Council but that's a Council decision.

Mayor Hobart agreed it should go to the Loan Committee initially.

MOTION: Thomas Cotter made a motion to suspend the Business Assistance Loan Fund program for 60 days in order to clarify the ground rules. Sandra Larson seconded the motion.

In response to questions from Brittany Boothe, Ric said the Loan Committee actually put forward an alternative funding proposal based on a possible leverage from eDev's Micro-loan Enterprise program but this was taken as a denial and now the applicant wants to appeal the overall decision. The BAF program was created to be the bridge between an applicant and a bank or LCOG and not the first and only source of funding.

Thomas Cotter said the Loan Committee has to follow good lending practices and the applicant must show it has the means to repay a small loan and in the long term will the community benefit from the City providing grant funds.

Brittany Boothe said applications should have different language depending on whether they are applying for a grant or a loan. If the Wineries without Walls won't break even for three years would the Loan Committee have approved that grant?

Thomas Cotter said the Chamber is a non-profit entity that also provides a service to the community plus they are selling wine and other local products rather than one company making one product.

Ric said if a for-profit business came along with a broader economic development benefit, the Loan Committee and the Council could recommend the application for a forgivable loan/grant funding package as well.

MOTION: Vote of 5-0.

6. OTHER

a. Lane Council of Governments 2011 Appreciation Dinner

Ric reminded the Council of the 2011 Lane Council of Governments appreciation dinner being held on January 26, 2012. Please contact Darci if you wish to attend.

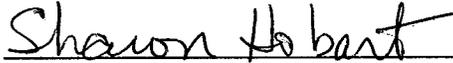
Shauna said the audit report will be coming very soon and the second quarter financials will be provided at the next meeting.

Kay said the City just received a \$25,000 grant from Oregon Community Foundation for the Fern Ridge Service Center. The contract will come to the Council in the next month or so and discussions with the architect and engineer will begin soon. Staff is working on the CDBG check list and a grievance policy resolution will be brought to the Council soon. Chris Workman is working on the evaluation checklist and the City's Fair Housing Resolution is being published in the Fern Ridge Review.

Brian and his department are working through the Comprehensive Plan process which will be presented to the Veneta Planning Commission at the February meeting and then to the City Council.

7. ADJOURN

Mayor Hobart adjourned the Veneta City Council at 8:25 p.m.


Sharon Hobart, Mayor

ATTEST:


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

THE 2011 STATE OF THE CITY ADDRESS

January 9, 2012

If you have recently seen the year end summaries of outstanding events in 2011, you might conclude that it was a year characterized by disasters caused by weather, politicians and of course the economy. This description does not apply to Veneta, which once again experienced a productive year, thanks to the efforts of our cultivated partners, non-profits, businesses and our local government. For Veneta, 2011 was the year of partnerships.

Proof of this statement will soon be seen in the initiation of four major projects. The first of these projects is the construction of the water pipeline that will allow us to purchase bulk water from EWEB, ensuring a secure water supply for Veneta for at least the next 50 years. On January 24th, 2011 the Eugene City Council voted 8-0 to approve this agreement, allowing Veneta to initiate the expenditure of the \$13,033,000 loan for the project. With what we hope to be few hurdles, the project should be completed in 2014.

The second major project will be accomplished through a 1.5 million dollar CDBG award to build the Fern Ridge Service Center. The Center will house the senior services and meal programs provided by LCOG and the Food Pantry and LOVE Project offered by Mid-Lane Community Partnership. These two invaluable partners have worked tirelessly to raise the necessary match, which now includes a \$250,000 grant from the Ford Family Foundation—yet another supportive partner. Ground breaking for this much needed facility should occur this year.

The third project is not quite so glamorous but none- the -less is instrumental to our future progress. In December, the City completed a yearlong process of acquiring the Larson property along Highway 126 to extend the Poplar Plantation for effluent application. Partnering with the Oregon Country Fair, the City received an additional 18 acres, which will allow for continued safe and effective effluent disposal.

The fourth major project has been over 20 years in the making and may well be at least another five years before results can begin to be seen. Never the less, it too will have a significant impact on Veneta and our future. I am referring to the Fern Ridge Corridor Plan. Senator DeFazio came to our assistance and secured a \$150,000 grant to initiate the planning process for needed improvements to Highway 126. A series of public input forums began in October to solicit citizens' views on strategies and alternatives to enhance the safety and use deficiencies of the Eugene to Veneta section of the highway. They will wrap up in May with results then incorporated into the STIP to be adopted by the LACT. Granted this will be a long, slow process but for the very first time, Highway 126 has an opportunity to be the recipient of potential state and federal funding.

All three of these projects were proposed as incentives to spur economic development efforts in Veneta and will produce the desired results in the long term. Yet they were not the only focus of activities in this area. Partnering with the Fern Ridge Chamber of Commerce, the City of Veneta provided economic assistance for the development of the highly innovative Wineries without Walls project housed in the Chamber office. This creative approach to tourism provides the 34 wineries in our area and opportunity showcase their products through weekly tasting events. The Grand Opening on Labor Day weekend found a capacity crowd showing their appreciation for this new venue with the purchase of over 30 bottles of wine in one day! The Chamber is expected to reach the break even point in this venture within 3 years, thanks in part to their collaboration with Travel Lane County and the Territorial Wine Trail, both of whom are assisting with marketing.

To further promote new local businesses in our community, the City of Veneta also temporarily deferred transportation SDCs for commercial enterprises and established an \$180,000 Business Development Fund to provide small loans and grants to support the expansion and/or establishment of small businesses and non-profits. The funding for this program was secured through existing grant funds remaining from a former HUD weatherization project. The first recipient of the loan program is the local Moose Lodge to allow them to leverage the funding to complete renovations to the Broadway Event Center and the ART Inc. Theater, both of which will enhance the West Broadway Development project.

West Broadway Development continues to generate interest and investment. On April 29th State Senator Prozanski, State Senator Beyer, State Representative Holvey and Representatives from Senator Wyden and Representative DeFazio joined dignitaries from LTD to officially dedicate the Park N Ride facility on the corner on West Broadway and Territorial Highway. This environmentally friendly project represents an effective use of state grant funding and yet another effective collaboration with a regional entity.

West Broadway was further utilized in three annual community events: in April, a very well attended Earth Day/Arbor Day was celebrated on West Broadway with a series of educational presentations, tree planting on Waldo Lane and litter pick up on Territorial. A highly successful second annual Harvest Festival in early October brought locals and visitors to an expanded, fun filled event that featured music, great food, and numerous vendors. The better than ever 8th Annual Light Parade, sponsored by EPUD Lane Electric Cooperative and Blachly Lane, the Fern Ridge Chamber of Commerce, Lane County Fire District # 1, the Fern Ridge School District, the Veneta Park Board, and the City of Veneta featured a new route along West Broadway culminating in the tree lighting at the Fern Ridge Shopping Center.

2011 also saw the celebration of youth. Daphne Sampson, Park Board Chair, was instrumental in the construction of the new Fern Park play structure, a priority of the Park Board for the past four years. Not only did she secure a half price savings on the equipment, she also arranged for professionals from throughout the state to volunteer to install it along side our dedicated Park Board members. This effort resulted in the project

receiving the Outstanding Project Award from the Maintenance and Construction section of the Oregon Parks and Recreation Association!

The youth of our community were also recognized through the Fern Ridge School District, a valued partner in our community. The eighth grade science team from Fern Ridge Middle School, the POD People, won the national title for their age group from Ecybermission program of the US Army through their development of a Power on Demand device while the 6th grade team, the Rescuers, was the first runner up. The awards represent hard work and amazing achievements from our talented and innovative students. Perhaps that is why the Fern Ridge School District high school was the only recipient in our region of an Outstanding rating by the State Board of Education. Given the diminishing resources with which our educators are forced to work, these accomplishments take on even greater meaning.

In conclusion, the highlights I have noted are just that. Each represents a significant investment of hard work by many of you, not the least of who is our incredible city staff. 2011 also saw changes in our team with the departure of 29 year City Recorder Sheryl Hackett, Associate Planner Zac Moody, Jarred Rush, and 18 year employee Jerry Sayles in Public Works plus our long term Municipal Court Judge Jon Joseph. Fortunately, our stellar reputation allowed us to attract incredibly talented individuals in City Recorder/ Human Resources and Risk Management Administrator Chris Workman, Associate Planner Kay Bork and Municipal Judge Alan Leiman.

Looking forward to 2012 will we continue to see progress in the projects noted previously plus new additions arising from the productive partnerships that we have fostered. We expect to see some changes in our law enforcement contract with the Lane County Sheriff's Office that will allow for more focus on community policing. The initiation of the Comprehensive Plan update should also present opportunities for needed upgrades in our development process.

2012 will also mark the 50th anniversary of the incorporation of the City of Veneta. The events being planned should give us all an opportunity to become aware of the invaluable contributions that have been made by our citizens, service clubs, businesses and non-profits. Make sure to participate in these events to show your appreciation for the vision and commitment our forerunners displayed in making Veneta a place we are proud to call home.