

Minutes of the Veneta City Council April 23, 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; Chris Workman, City Recorder/Human Resources and Risk Management Administrator; Kay Bork, Associate Planner; Darci Henneman, Assistant City Recorder; Charlotte Weaver, Alexis Merrill, Patti Little, Sid Scott, and Sgt. Doug Osborne

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

Mayor Hobart welcomed students that were in the audience. Charlotte Weaver and Alexis Merrill, are students at Elmira High School and are members of the Leadership Class. As part of their final semester, they are to attend and write a report on the Council meeting. Skyler Vanderpool is also a student at Elmira High School and is studying journalism.

1. PUBLIC COMMENT

Patti Little, 21877 Allison Rd., Noti, OR

Ms. Little is the Program Supervisor for the Aging and Disability Resource Connection/Senior Connect unit at Lane Council of Governments (LCOG). She wanted to thank Mayor Hobart, the City Council, and everyone else involved with the Fern Ridge Service Center for their support in getting the project off the ground, from completing the infrastructure to hiring the architect. It is greatly appreciated and will be a well-received service for our community.

2. PUBLIC HEARING – Public Facilities Plan and Comprehensive Plan

- a. Mayor Hobart opened the Public Hearing at 7:26 p.m.
- b. Declaration of Conflict of Interest or Ex-Parte Contacts
None
- c. Staff Report: Kay Bork
Kay said staff is requesting the Council approve adoption of the proposed amendments to the Public Facilities Plan (PFP) and Comprehensive Plan as recommended by the Veneta Planning Commission. A public hearing was held at the April 2nd Planning Commission meeting and the proposed amendments are specific to the PFP, the recently adopted Water Master Plan, and the 2009 Wastewater Master Plan. All significant findings and projects are incorporated in to the PFP and the coordinated population number will also be included in all City plans.
- d. Public Testimony
None
- e. Questions from the Veneta City Council
Mayor Hobart said it was very helpful that the Council had an opportunity to discuss the updates prior to adoption. She said the streamline process fit well with the project and made a huge difference time wise for staff.

f. Mayor Hobart closed the Public Hearing at 7:32 p.m.

g. Deliberation and Decision
None

3. Ordinance 504 - AN ORDINANCE AMENDING ORDINANCE 416, ADOPTING THE VENETA COMPREHENSIVE PLAN, AND REPEALING AND REPLACING VENETA'S PUBLIC FACILITY PLAN. For First Reading by Title Only.

MOTION: Thomas Cotter made a motion to adopt Ordinance 504 amending Ordinance 416, adopting the Veneta Comprehensive Plan and repealing and replacing Veneta's Public Facility Plan for first reading by title only. Sandra Larson seconded the motion which passed with a vote of 5-0.

Ordinance 504 was read into the record for first reading by title only.

4. ARCHITECTURAL PRESENTATION – Final Design Fern Ridge Service Center

a. Presentation

Sid Scott of Scott Edwards Architecture provided a slide presentation on the Fern Ridge Service Center (FRSC). He explained the 7200 sq. ft. floor plan and placement of the dining area, kitchen, offices, and other features that will be housed in the building.

Ric said the stakeholders put together a very aggressive schedule and created a list of functional issues that needed changing. Mr. Scott's team has addressed most of the items on the list.

Mr. Scott said the original plan didn't change much and construction should start by mid-August, with bidding starting in June/July. If the schedule is followed and all goes well the Service Center will open in May or June, 2013.

b. Questions from the Veneta City Council

In response to a question from Thomas Cotter, Mr. Scott said the upper windows will open and close mechanically.

Ric said the original design called for solar panels and a green roof, but in order to keep the operating and maintenance costs to a minimum they were omitted from the plan. Ground source heat pumps and other things were also brought in to lower the utility costs. Over the long term the handful of nonprofit partners will be responsible for keeping the operating and maintenance costs as low as possible. Also, lowering kitchen costs and increasing the functionality of the kitchen brought costs down. Because most meals will be pre-packaged at another site, it didn't make sense to have a high-end, commercial grade kitchen, so a high-volume home unit will be installed instead.

Sandra Larson said she was very impressed with the input and thought that had gone into the project thus far.

Mayor Hobart said there was a very good turnout for tonight's 5:30 p.m. Open House and that she is excited to see the project move forward.

It was the consensus of the Council to move forward with the Service Center.

- c. Public Comment
None

5. 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 April 9, 2012, Accounts Payable through April 17, 2012, Civic Calendar for May 2012, Council Directive Status Report, and Annual Liquor License Renewals.

6. DEPARTMENT REPORTS

a. FROM MAYOR AND CITY COUNCILORS

(1) Law Enforcement Update, Sgt. Osborne, LCSD

Sgt. Osborne provided the Council with an update from the Lane County Sheriff's Office. He said all transitions in the sheriff's office will be made on May 25, 2012. Deputy Joe Jahn is currently still on patrol. Budget discussions will tentatively begin next week when they will find out if the road funds will provide 24-hour patrol versus the 20-hour patrol we currently have. He said he's been working on revamping the public safety reports to provide the information in a more timely fashion. Currently the reports are two months behind. The new format will be streamlined and provide more useful information including a glossary of the column headers.

Mayor Hobart thanked Sgt. Osborne for the time and effort he puts forth and said she is looking forward to the updated report format.

In response to questions from Marion Esty, Sgt. Osborne said some of the calls are for unknown activities. The dispatcher cannot tell what the call is for and issues an "unknown" code. At that point, the deputies determine whether a crime has occurred and clear the call with "R E P T" code. Once they issue the "R E P T" code they are not able to change it. He said the call that came in about a potential rape was listed as "I N F O". After the deputy investigated, it was determined that a rape did not occur.

In response to a question from Sandra Larson, Sgt. Osborne said the multi-paged report is a list of calls generated from the dispatch system. The one-page report is the contract report which lists crimes that have been issued a case number.

(2) Request from Fern Ridge Gleaners to waive the Community Center Rental Fee
Shauna said she would like to get all the nonprofit entities to submit a request in writing if they are asking that the Community Center rental fee be waived. If approved, all requests will expire one year from the date of approval.

MOTION: Thomas Cotter made a motion to approve the Gleaner's request. Marion Esty seconded the motion.

In response to a question from Sandra Larson, Ric said the Gleaners are very flexible with their schedule and have relocated their meetings when a paying customer wants to rent the Community Center.

VOTE: Motion passed with a vote of 5-0.

b. COUNCIL/COMMITTEE LIAISONS

Brittany Boothe said the Park Board is celebrating Earth Day with Veneta Elementary on Friday, April 27th. Volunteers along with the Park Board are meeting at City Hall at 4:30 p.m. on Wednesday, April 25th to assemble the pine cone bird feeders.

Sandra Larson attended the School Board meeting. On Saturday, April 21st, a public meeting was held at Noti Elementary where approximately 60 people attended. Noti residents Leontine Winters-Krohn and Don Krohn approached the school district about turning Noti Elementary into a community center. This has generated a lot of local support and the next meeting will be Thursday May 3rd at 6:30 p.m. in the Noti Elementary School gym.

Mayor Hobart said the Distinguished Service Awards at Elmira High School went very well. She said there was a great turn out of over 225 people. She said the City is hosting the upcoming Lane Council of Governments (LCOG) meeting Thursday, April 26th at 6:00 p.m.

Thomas Cotter said he attended the Distinguished Service Awards. He said it was well run and nicely done.

Marion Esty attended the Senior Service Advisory Council meeting. She said many of the agenda items were carried over to the next meeting on May 8th. She plans on attending that meeting.

7. STAFF REPORTS

- a. Associate Planner.....Kay Bork
(1) **Resolution No. 1087** – A RESOLUTION TO ADOPT THE SECTION 3 PLAN TO COMPLY WITH 24 CFR, PART 135 OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 3

Kay said Resolution 1087 is required in order to move forward with acceptance of the Community Development Block Grant (CDBG) funds. Adoption of the Section 3 Plan is required for any project that received over \$200,000 in grant funds or a construction project over \$100,000. City staff will make an extra effort to make sure Section 3 residents are aware of the possible positions and will ensure that contractors and subcontractors will sign a Section 3 clause with regard to new hire employment activities. City will work with employment agencies throughout the state will also target low to very low income residents for any possible positions.

Marion Esty said she appreciated the definitions page.

Mayor Hobart was concerned the criteria outlined in the program will be difficult for the City to meet because it didn't apply to a city the size of Veneta.

In response to a question from Mayor Hobart, Kay said she spoke with Aneta Synan, Infrastructure Finance Authority Regional Representative who reviewed and approved the City's Section 3 Plan. Ms. Synan told Kay that advertising job openings in local newspapers and with employment agencies would meet the Section 3 guidelines. Kay said Sid Scott of Scott Edwards signed a Section 3 clause obligating his firm to follow the Section 3 program guidelines. All contractors and subcontractors providing any services on the project will be required to sign the Section 3 clause.

Ric said the Section 3 Plan is required for any CDBG funded project beginning in 2012. He said the Oakridge Library was the first project that implemented the Section 3 Plan and the practices and policies followed have been very appropriate. He said it was not a huge burden for Oakridge.

In response to a question from Thomas Cotter, Kay said if any employer contracted with the City who in turn does any hiring; it is obligated to follow the Section 3 Plan when advertising openings. She said anyone submitting a bid will also be required to include the Section 3 clause with their bid.

MOTION: Thomas Cotter made a motion to approve Resolution 1087. Marion Esty seconded the motion which passed with a vote of 5-0.

(2) Enterprise Zone Update and Schedule of Activities

Kay said based on the Council's approval at the April 9th meeting, the City entered into a contract with Lane Council of Governments (LCOG) to provide the technical work on the Enterprise Zone application. The City will complete the public outreach and public hearing. Kay provided the schedule based on statutory requirements including sending a letter to the entire effected taxing districts. A meeting with the taxing districts is scheduled for 1:30 p.m. on May 18th at City Hall. She will provide the Council with feedback from that meeting and a resolution for adoption at the May 29th Council meeting.

In response to a question from Sandra Larson, Kay said the Enterprise Zone will encompass 38 acres in and around the Northeast Employment Center and City-owned tax lot 600 on Jack Kelley Drive.

In response to a question from Mayor Hobart, Kay said the Enterprise Zone is not required to be contiguous.

Ric said there will need to be a Council meeting on the Tuesday after the Memorial Day weekend, May 29th, in order to meet the application deadline of June 8th.

b. Finance Director.....Shauna Hartz

(1) Third Quarter Financials

Shauna provided the fund balances for each fund for the period of July 1, 2011 to March 31, 2012. She said the good news is that most of the operating funds have a higher ending fund balance than they did on July 1st. The bad news is, except for the water and sewer funds, we've received most of the revenue that we're going to receive into the general fund, planning fund, etc, from property taxes and we still have three months of expenses. We also just paid the third quarter law enforcement invoice. At the last

meeting, Thomas Cotter asked about the reserve funds so Shauna provided that information on the last page. Lastly, the percent of revenue received and percent of expenditures – these percentages are misleadingly low. The pipeline project and the Service Center project will start this FY but we haven't spent what was budgeted so those large numbers are throwing the percentages off.

In response to a question from Mayor Hobart, Shauna said the Business Assistance Program extended \$30,000.

Ric thanked Shauna for providing the financials in a timely fashion.

- c. Community Services Director..... Brian Issa
(1) 24992 W. Broadway SDC Lien Satisfaction

Brian said this property was converted from a church to a pizza restaurant in 2002. In order to convert over \$38,000 in SDCs were incurred for water, sewer, stormwater, and transportation. The City allowed the property owner to make SDC installment payments which allowed the City to place a lien on the property. A short time later, the SDCs were recalculated, reducing the SDCs somewhat. The property owner also made a few payments bringing the balance owing to \$23,770.83. Currently, the property owner is on the verge of foreclosure and is delinquent on his payments. The property owner bought the property through a trust deed with a third party. If the property is foreclosed upon, the City's lien would be dismissed and the trustee of that trust deed would be in first position. Staff is asking Council members to approve filing a lien satisfaction which would allow the property owner to avoid foreclosure proceedings and transfer ownership of the property to the trustee. Brian said that either way, the SDCs will not get paid. The property holds a critical location in downtown. He said it's in the City's best interest to get a new tenant in the building. The property owner is prepared to pay all document recording fees and attorney fees associated with dismissing the lien. The paid SDCs would then be credited towards any future use.

In response to a question from Mayor Hobart, Brian said a new tenant or owner would receive a credit for the SDCs paid by the church and the pizza restaurant and those credits would apply to a new use of the building.

In response to a question from Sandra Larson, Brian said the property owner told staff the City's lien would not get paid if the property went into foreclosure.

In response to a question from Brittany Boothe, Brian said SDCs are calculated based on projected traffic demand a business has. The City charges SDCs retroactively, the infrastructure was built and then all newer future development pays for it. The new increase in use will pay a larger proportional share when the business shifted from a church to a restaurant.

In response to a question from Thomas Cotter, Brian said there are others in position ahead of the City and it's very likely the property owners are on the verge of foreclosure.

Thomas Cotter said if the property is foreclosed upon the City won't get paid and the property owner has a greater chance of going through foreclosure and there's no

detriment to the City. He would rather see the property owner go through foreclosure than the City satisfying the lien.

In response to a question from Thomas Cotter, Ric said staff is asking for some level of documentation that foreclosure proceedings have begun. We don't know what kind of business would be interested in the building, but staff is suggesting wiping the slate clean with the property owner and waiting to see what kind of business would go in there. Pursuing the foreclosure process would require the City to incur attorney fees, but if we satisfy the SDC lien it's likely the property owner can get the building rented.

In response to a question from Thomas Cotter, Brian said there's a risk that a new tenant could argue they are entitled to a credit for the entire full amount originally assessed.

In response to a question from Mayor Hobart, Brian said once SDCs are assessed any future property owner is entitled to a credit for whatever the previous use was, regardless if the use is different or if the SDCs weren't paid.

In response to a question from Sandra Larson, Brian said typically if a new business came in with lower SDCs they wouldn't pay anything. If SDCs are paid in full up front and the business closed three months later, the next tenant would get credit for the paid SDCs. The SDCs ride with the property.

In response to a question from Brittany Boothe, Brian said City code gives us an option to offer an installment plan for charges over \$10,000 to assist a business. The transportation SDCs for retail businesses are high.

Sandra Larson said the City could incur more expenses if we stand our ground and let the foreclosure happen.

In response to questions from Brittany Boothe, Brian said if the property goes through foreclosure then the SDCs ride with the property and it's very likely a new tenant would apply for a credit. He said SDCs are based on the use of the building. If it stayed a restaurant, assuming the first tenant paid all his SDCs, there would be no SDCs owing from the next tenant unless they added onto to the building or increased seating. If a new business came in, other than a restaurant, they would be assessed the difference and the trustee would be assessed the balance of the SDCs owing from the current owner.

In response to a question from Mayor Hobart, Brian said the installment plan charges interest.

MOTION: Thomas Cotter made a motion to direct staff to record documents necessary to satisfy the lien in exchange for a sum equal to attorney and other fees incurred to review this issue, contingent upon receipt of sufficient evidence that without the lien satisfaction, the property will be foreclosed upon. Brittany Boothe seconded the motion which passed with a vote of 4 to 1; Thomas Cotter voted no.

(2) Territorial Rd. Tree Follow Up

Brian provided a follow up from the April 9th Council meeting where Pony Gilbert and Mona McCrea had spoken about a California Black Oak tree located at 88065 Territorial Rd. Staff clarified that the City has no plans to remove the tree. In April 2011, EPUD contacted the City about removing the tree which it sees as a direct and eminent threat to its facility. It still has not been determined if the tree is in EPUD's utility right-of-way. If it is, EPUD can remove the tree. If the tree is not in EPUD's utility right-of-way and the property owner wanted to remove the tree, a permit and mitigation fee would be required by the City.

In response to a question from Mayor Hobart, Brian said EPUD still wants to remove the tree.

In response to a question from Brittany Boothe, Brian said the tree sits on the property line between Ms. McCrea and Kingdom Hall, so EPUD would need permission from both property owners to remove the tree if it sat outside of EPUD's utility right-of-way.

Sandra Larson said if the tree is not in EPUD's utility right-if-way, and only one property owner gives EPUD the go ahead and remove the tree, it becomes a civil matter and does not involve the City.

Brian said if part of a tree hangs over a property line, it's believed the adjacent property owner can remove the portion of tree as long as it doesn't kill the tree.

In response to a question from Brittany Boothe, Brian said EPUD could pay for any mitigation costs but the property owner has to sign the tree permit application.

Ric said staff has yet to receive the tree report that Pony Gilbert said he requested.

Brian said he has seen the tree report which said the same thing the last arborist report said that the City hired. It has a large forked trunk, no visible rot but eventually the tree will split. It could be any day or thirty years from now. The tree has had recent impacts from the construction of the sidewalks along Territorial Rd. and Kingdom Hall. The last time it was looked at the arborist said it was a beautiful, healthy tree.

8. OTHER

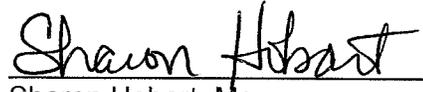
Ric reminded Council members that May will be a busy month. There will be two budget committee meetings on May 3rd and 17th. He said a public hearing is required for the Enterprise Zone application which will be held at the second meeting in May, on Tuesday, May 29th. A quorum is definitely needed to pass the enterprise zone resolution. Budget binders were also distributed last week.

Mayor Hobart said the budget binder is very clear, helpful, and provided a great overview. She thanked Shauna for all her hard work.

Ric said the Highway 126 meeting is on Tuesday May 8th and that recommendations will be made at that meeting.

9. ADJOURN

Mayor Hobart adjourned the Veneta City Council at 8:43 p.m.



Sharon Hobart, Mayor

ATTEST:



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