

Minutes of the Veneta City Council

May 29, 2012

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

Absent: Brittany Boothe

Others: Ric Ingham, City Administrator; Shauna Hartz, Finance Director; Brian Issa, Community Services Director; Kyle Schauer, Public Works Superintendent; Kay Bork, Associate Planner; Darci Henneman, Assistant City Recorder; Tom Laing, and Michelle Ossowski, Fern Ridge Review

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

1. PUBLIC COMMENT

Tom Laing, 88120 Ruby Jean, Veneta, OR

Mr. Laing said the Veterans of Foreign Wars Post 2448 displayed flags at the West Lane Shopping Center which many of them were destroyed some time over the Memorial Day weekend. He would like to offer a reward. He said he stopped a young boy of 10 or 12 years of age carrying a flag down Territorial Rd. He will give his name to Lane County Sheriff deputies. He said this kind of activity cannot go on. He said Post 2448 purchased and displayed 20 new flags at a cost of about \$240. Many of them were destroyed. They would like to purchase 20 more flags to extend the display north along Territorial Rd and west along Highway 126. His wife started a Ladies Auxiliary and adopted two military units in Eugene; Company "A" of the Sixth Infantry Battalion and the 262 of the National Guard. Upon deployment Post 2448 honors the unit with a ceremony and lunch. Post 2448 also hosts a welcome home event when the units return. Mr. Laing asked if the City would like to partner with them to make it a community event.

Mayor Hobart said this vandalism is a disservice to our community.

Ric said staff will address the vandalism later in the meeting.

Mayor Hobart thanked Mr. Laing for his comments.

2. PUBLIC HEARING

a. Mayor Hobart opened the Public Hearing at 7:05 p.m.

b. Staff Report: Uses of State Shared Revenue (Shauna Hartz)

Shauna said the State of Oregon collects cigarette, liquor, highway gas and 911 taxes. Oregon Revised Statutes (ORS) requires the state to "share" a portion of the collected taxes with cities and counties. ORS also dictates the total amount to be shared and population numbers determine the amount each City or County receives. The estimated amount the City of Veneta will receive for FY 2012-13 is \$390,489; however, \$22,451 is a pass through for the 911 System. To remain eligible to receive state shared revenue, the State requires us to annually approve two resolutions and conduct two public hearings. The Budget Committee hearing was held May 17, 2012 and tonight's City Council public hearing is the second. Shauna provided the fiscal year 2012-13 Approved Budget detail sheets for the funds the City allocates our state shared revenue to. The revenue is not tied to specific expenses; however, it is used for operating costs within the respective funds.

c. Public Testimony
None

d. Questions from the Veneta City Council

None

e. Mayor Hobart closed the Public Hearing at 7:06 p.m.

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; and Sandra Larson, aye.

The consent agenda as approved included Minutes for May 14, 2012 Accounts Payable through May 21, 2012, and the Civic Calendar for June, 2012.

4. DEPARTMENT REPORTS

a. From Mayor/Councilors

Thomas Cotter said he attended the public safety meeting on Wednesday, May 23rd. He said he is relieved that Lane County found a temporary funding fix but it's disappointing that it's not a change from what we've done over the last 20 years. It seems a shame that residents have yet to vote on anything that supported education or law enforcement.

b. Council/Committee Liaisons

5. STAFF REPORTS

a. Associate Planner.....Kay Bork

(1) **Resolution No. 1091** AUTHORIZING THE SUBMISSION OF THE APPLICATION FOR THE DESIGNATION OF THE VENETA ENTERPRISE ZONE

Kay said Resolution 1091 is required in order to submit the Enterprise Zone application and complete the package.

In response to a question from Mayor Hobart, Kay said Denise Walters at LCOG submitted a draft application and staff has commented and outreached to the taxing districts. She said a representative from Lane Transit District was the only taxing district who attended the meeting. Kay said those meeting minutes will be included in the application packet.

MOTION: Thomas Cotter made a motion to adopt Resolution 1091. Marion Esty seconded the motion which passed with a vote of 4-0.

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

(1) **Resolution No. 1090** – A RESOLUTION EXTENDING THE SUNSET CLAUSE OF RESOLUTION 1067, A RESOLUTION PROVIDING FOR THE TEMPORARY REDUCTION OF TRANSPORTATION SYSTEM DEVELOPMENT CHARGES FOR NON-RESIDENTIAL DEVELOPMENT

Brian said Resolution 1090 will extend the sunset clause of Resolution 1067 which the Council passed in September 2011 to provide an incentive for commercial development. Resolution 1067 was passed on a trial basis and will expire June 30, 2012. Brian said there has been no commercial development since Resolution 1067 was passed.

In response to questions from Mayor Hobart, Brian said the City has seen residential development but no non-residential development. Brian said the business that wanted to relocate in the Veneta Business Park but felt the Transportation SDCs were too high was informed of the reduction but did not follow through with his relocation plans.

Mayor Hobart felt it is worth continuing and doesn't see it causing hardship for the City.

MOTION: Thomas Cotter made a motion to adopt Resolution 1090. Marion Esty seconded the motion which passed with a vote of 4-0.

(2) Veneta Water Pipeline Update

Brian briefly reviewed the pipeline project highlights with the Council. He said the City received the design and engineering final bid-ready documents from Murray Smith Associates (MSA) on May 17th and on May 22nd USDA authorized the City to bid the project. Permits from Dept. of Environmental Quality (DEQ) Dept. of State Lands (DSL), the Army Corp of Engineers, Lane County and Dept. of Health Services (DHS) have all been secured. Permits from ODOT and the City of Eugene are expected soon. The design project is currently on schedule and within budget.

With regard to the extension request, Ric said our Congressional folks have said they will lend support if needed. Ric said Mr. Goldstein at Rural Development (RD) is following their adoption process which calls for submitting the extension request letter just prior to the deadline date of July 31, 2012.

Brian said with regard to legal issues, EWEB prevailed in Lane County Circuit Court in their dispute with the City of Eugene regarding the authority to enter into wholesale water contracts. The contract between the City of Veneta and EWEB is the standing contract for water purchase.

In response to a question from Mayor Hobart, Ric said EWEB is preparing for the City of Eugene to appeal that decision.

Brian said Landwatch Lane County's latest action is against the City of Eugene and their expansion of Eugene's Urban Growth Boundary. Brian said neither USDA or the Dept. of Fish and Wildlife seem to be overly concerned about this.

Brian said Council members will continue to be asked to approve many contracts over the next several weeks. The construction contract is scheduled to be on the July 23rd Council agenda and be underway by the July 31st deadline.

Brian suggested contracting with LCOG to oversee the wage administration portion of the project. If Council members approve, staff would enter into an Intergovernmental Agreement (IGA) with LCOG at a cost of less than \$35,000. He said LCOG has provided this service for many municipal projects. On another note, the Resident Project Representative Request for Proposal (RFP) has been advertised in the Register Guard. This person will be the City and the design engineer's on-site project representative. This will be a fairly large contract at \$220,000 to \$225,000. Brian said it's common to exclude this position from the design engineer contract.

Brian said staff would like to contract with Lane County to provide material testing. Because the pipeline will be constructed mostly in County roads, it makes sense to contract with Lane County to oversee the inspection, road compaction, thickness, etc.

In response to a question from Mayor Hobart, Brian said Lane County has confirmed they have the time and personnel available to provide those services.

In response to a question from Thomas Cotter, Brian said the City is not required to solicit competitive bids but can enter into an IGA with LCOG to provide the wage and administration services. Staff checked on other testing firms and Lane County was very comparable.

In response to a question from Thomas Cotter, Ric said CDBG requires that wages be monitored for all work on the project and someone needs to be on site to review wage documents. Staff would like to contract with LCOG to provide those services, although nothing will be finalized without USDA approval.

Brian said USDA will also need to approve Lane County providing the roadway testing and inspections. He said Nancy Holzhauser will provide specific plant identification and the protective fencing and Murray Smith Associates (MSA) is working up the contract for the construction/ engineering phase.

Brian said with regard to the interim financing, the City's bond counsel is preparing the RFP. He said all individual contracts will come back to the Council for approval.

(3) Request for Swim Scholarship Funds

Brian said in past years Council members have approved funds to be set aside for swim scholarships at the Veneta Community Pool. He's not sure if the Jim Petty Scholarship Fund will be in place by swim season so he is requesting \$500 be set aside for swim scholarships.

In response to a question from Mayor Hobart, Brian said last year almost all residents requesting assistance provided matching funds for family swim passes and lessons. He said no one was turned away for lessons and the remaining funds went to family passes.

MOTION: Thomas Cotter made a motion to approve \$500 for the Swim Scholarship Fund for the Veneta Pool. Marion Esty seconded the motion which passed with a vote of 4-0.

c. City Administrator..... Ric Ingham

(1) **Ordinance No. 505** - AN ORDINANCE GRANTING TO LANE COUNCIL OF GOVERNMENTS, A NON-EXCLUSIVE FRANCHISE AND RIGHT TO CONSTRUCT, OPERATE AND MAINTAIN A FIBER-BASED SERVICE FACILITY; TO OCCUPY CITY RIGHTS-OF-WAY; AND TO PROVIDE FIBER-BASED SERVICES IN THE CITY OF VENETA, OREGON. For Second Reading by Title Only and Final Enactment

MOTION: Thomas Cotter made a motion to adopted Ordinance No. 505 an Ordinance granting to Lane Council of Governments, a Non-Exclusive Franchise and Right to Construct, Operate and Maintain a Fiber-Based Service Facility; to Occupy City Rights-of-Way; and to Provide Fiber-Based Services in the City of Veneta, Oregon. For second reading by title only and final enactment. Marion Esty seconded the motion which passed with a vote of 4-0.

Ordinance 505 was read into the record for second reading by title only and final enactment.

(2) Request by Plough Monday to Lease Jeans Rd. Treatment Plant

Mayor Hobart said she is very excited about this proposal. She welcomed Mr. Norman Vidoni of Plough Monday, LLC who was in attendance at tonight's meeting.

Ric said on May 14, 2012 the City received a request from Plough Monday, LLC to lease the Jeans Rd. Treatment Plant for the purpose of brewing craft beer. Some time back Plough Monday spoke to City staff about purchasing a City lot on West Broadway and they also looked into utilizing the old pizza parlor; however several deficiencies were identified at that site. Ric said several factors need to be considered before the City could commit to leasing the Plant to Plough Monday. The first of which is do we have adequate water production to meet our summertime needs without Well 10 and 11?

Brian provided Council members with several graphs of water production in relation to projected usage. Kyle provided a memo addressing the cost and time involved to decommission the plant.

Ric said Plough Monday has secured their brewing equipment and are working on a financing package. In order for Plough Monday to receive a return on its equipment purchase as well as utilize this year's hops crop, they need some kind of commitment from the City that the Plant would be available for occupancy this fall. Ric said the Plant was originally planned for decommission once the pipeline was on line.

Ric said Plough Monday is requesting a letter of intent be written to specify when a lease will be signed and the City would like the assurance that a business will occupy the location prior to decommissioning the Plant.

Brian reviewed his graph and asked the Council if they had any questions. He said it's hard to speculate what the average daily demand will be as well as how much water will be consumed on the hottest day of the year.

In response to a question from Sandra Larson, Brian said a worse case scenario is several consecutive days of extremely high temperatures. When that happens high volumes of water are used but the water reserves are not able to recover over night.

Kyle said Well 10 and 11 were off line last year because the water quality was low and the cost to produce it was high. This year the City is able to meet the demand and the tanks are recouping the usage at night. Well 10 and 11 are off line but are ready if they are needed. Kyle said the concern is a week of really hot weather which creates a higher usage rate than the recovery rate. Kyle said Well 4 and 9 were recently rebuilt and the screens and pumps were upgraded.

Brian said the relevant factor is the pipeline. Construction begins in August and if all goes well the pipeline won't be on line until August 2013.

In response to a question from Thomas Cotter, Kyle said not including Well 10 and 11, the City has three wells producing water, Well 9, 12, and 4.

Ric said after Well 9 and 4 were rebuilt, staff decided it wasn't necessary to bring on Well 10 and 11. Also last summer the tank level never dropped and all three wells were never running at full capacity. He said none of the wells ran more than 20 hours a day verses past years when they ran 24 hours a day. However, it's still difficult to predict what the usage will be.

In response to a question from Mayor Hobart, Kyle said the well production hours have decreased.

In response to a question from Mayor Hobart, Brian said the water conservation program has made an impact on usage.

In response to a question from Mayor Hobart, Ric said this is the third year the tiered water rates have been in effect. He said when construction peaked in 2005 and 2006 we didn't realize how much bulk water contractors were using. As the economy continues to be slow, unfortunately, we shouldn't see a lot of construction and with that bulk water usage will stay at a minimum.

In response to a question from Mayor Hobart, Kyle said he's not sure if there's much of a market for selling the plant equipment. He spoke with the manufacturer and was told there isn't much of a market this type of used equipment.

In response to a question from Sandra Larson, Kyle said if we couldn't find a firm to do the decommissioning and remove the equipment, the Public Works crew would remove the equipment and sell it for scrap.

Mayor Hobart is very supportive of this concept and felt Plough Monday fits into the City's vision of businesses that use locally grown crops. She felt this is a win/win for the City and will also be an opportunity to increase the City's economic development.

In response to a question from Sandra Larson, Mr. Vidoni said the person he purchased his equipment from said the standard average water usage in the industry is 30,000 gallons per month. However, the amount of beer his company is planning to produce would use 7,000 to 8,000 gallons of water per month.

Brian said 7,000 to 8,000 gallons per month is the average winter residential usage and 14,000 gallons per month is an average summer usage.

MOTION: Thomas Cotter made a motion to direct staff to authorize the City Administrator to issue a Letter of Intent to Plough Monday, LLC for the purpose of leasing the Jeans Rd. Water Treatment Plant on or about October 1, 2012 and to begin the process to decommission the equipment. Marion Esty seconded the motion which passed with a vote of 4-0.

Ric said staff will engage legal counsel with the letter of intent and by July/August a lease should be in place. Both parties will need assurances prior to decommissioning the equipment.

5. OTHER

Ric provided a Reward poster for the graffiti and flag vandalism that happened over the weekend. He said Deputy Jahnke noticed the Downtown Veneta sign had been tagged with graffiti in the early morning hours of May 27th. While on patrol, Deputy Jahnke discovered the Moose Lodge #2656, Key Bank, and the gas station at the corner of Hunter and Territorial had all been tagged with graffiti. He said it appeared they worked down West Broadway, to the Broadway Event Center and the Moose Lodge then to the West Lane Shopping Center where they ripped flags and broke flag poles then threw them in the blackberry bushes. Ric said two boys were later seen with flags but it was determined they were not involved with the vandalism. Staff suggested Council members endorse a \$250 reward. The Veterans of Foreign Wars (VFW) Post 9448 and the Moose Lodge #2656 have each committed \$25 to the reward. Ric suggested the reward poster be distributed through the schools and the deputies could hand them out at the skateboard park. An article in the Fern Ridge Review would also be helpful. Ric said Public Works was able to clean up the Downtown Veneta sign. He said the reward funds would come from the Transportation Maintenance Fund.

Mayor Hobart said these actions are despicable and are not acceptable.

In response to a question from Sandra Larson, Ric said a felony was committed and if juveniles were involved not much will happen although restitution is an option.

Brian said there are many community service projects at the sewer plant.

Ric said he is working closely with the Lane County Sheriff's Office and our deputies.

MOTION: Thomas Cotter made a motion to authorize a \$250 reward for information that leads to the apprehension and conviction of the person(s) responsible for the vandalism that occurred in the City of Veneta on or about May 27, 2012. Marion Esty seconded the motion which passed with a vote of 4-0.

Ric said on behalf of the Wineries without Walls (WwW) project the Fern Ridge Chamber of Commerce is requesting \$2389 from the Rural Tourism Marketing Program (RTMP) funds for advertising the WwW project. Ric said Gina Haley-Morrell, Chamber President, could not attend tonight's meeting but did provide information regarding the request and what the funds would be used for. Advertising would consist of a large ad in the Travel Lane County Visitor's Guide as well as a listing on their map; an ODOT highway directional sign on Highway 126 prior to entering Veneta; website development, advertising in the Register Guard "Tastings" and in the Oregon Press for the Thanksgiving weekend; and WwW cards for the display rack at Travel Lane County Adventure Center.

In response to a question from Mayor Hobart, Ric said RTMP funds will not be shuffled to another account. He said Transient Room Taxes go into several Lane County funds and this specific fund cannot be used to backfill other funds or shuffle from this account. Overall there is about \$300,000 in the fund and the City receives roughly \$7000 annually.

In response to a question from Sandra Larson, Ric said because the City does not have a hotel/motel to generate room tax, the City receives the minimum amount of \$7000.

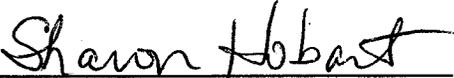
MOTION: Thomas Cotter made a motion to approve \$2,389 from the Rural Tourism Marketing Project (RTMP) Fund to the Fern Ridge Chamber of Commerce for the Wineries without Walls project. Marion Esty seconded the motion which passed with a vote of 4-0.

Shauna said the public hearing to approve the 2012-2013 Budget will be at the June 11, 2012 Council meeting along with several resolutions.

Ric said the water pipeline will keep the Council and staff busy throughout the summer, so more than likely there will be two Council meetings in July and August.

6. ADJOURN

Mayor Hobart adjourned the Veneta City Council at 8:05 p.m.


Sharon Hobart, Mayor

ATTEST:


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