

# Minutes of the Veneta City Council

## December 17, 2012

resent: Sandra Larson, Brittany Boothe, Tim Brooker, Thomas Cotter, and Marion Esty

Others: Ric Ingham, City Administrator; Kay Bork, Community Development Director; Shauna Hartz, Finance Director; Kyle Schauer, Public Works Director; Chris Workman, City Recorder/Human Resources and Risk Management Administrator; Darci Henneman, Assistant City Recorder; Wills Boothe, Linda Boothe, Victoria Hedenstrom, and Michelle Ossowski, Fern Ridge Review

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Mayor Sandra Larson called the Veneta City Council to order at 7:02 p.m.

Mayor Sandra Larson presented Councilor Tim Brooker with a Community Service Award in appreciation for his time on the council over the past five months and thanked him for his continued service to the City.

### 1. PUBLIC COMMENT

None

### 2. 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; Tim Brooker, aye; and Brittany Boothe, aye.**

The consent agenda as approved included Minutes for November 19, 2012, Accounts Payable through December 6, 2012, and the Civic Calendar for January, 2013.

### 3. DEPARTMENT REPORTS

#### a. From Mayor and City Councilors

##### (1) Elmira High School 2013 Grad Night Committee Donation Request

In response to a question from Mayor Larson, Shauna said this is the first request from the 2013 graduating class.

In response to a question from Mayor Larson, Ric said City staff received the donation request in the mail and a grad night committee member was not in attendance at tonight's meeting.

**MOTION: Thomas Cotter made a motion to approve a \$500 donation to the Elmira High School graduating class of 2013 for the graduation celebration. Marion Esty seconded the motion which passed with a vote of 5-0.**

#### b. Council/Committee Liaisons

Brittany Boothe said the December Park Board met the day before the Light Parade which was a huge success. The board briefly discussed the plans for the light parade and tree lighting. She said Kay provided information to the Board about the City's Tree Code. An Easter Egg Hunt subcommittee was formed which will meet in January 2013.

Mayor Larson said the School District hired a consultant to appraise Noti Elementary. The District has also advertised for an RFP to provide a long range facilities plan. They have narrowed the proposals down to two and the School Board will make the final decision at the next school board meeting. She said the idea is to have a complete, comprehensive long range facilities plan in place

before the School District considers any future bond measures.

#### 4. STAFF REPORTS

- a. City Recorder/HR and Risk Management Administrator.....Chris Workman  
(1) Proclamation Declaring Election of Candidates

Chris provided an update on the election results. He said Sandra Larson received 1,125 votes as Mayor; Victoria Hedenstrom received 879 votes for City Councilor and Tom Laing received 873 votes for City Councilor. These three positions will be sworn in at the first meeting in January 2013. Chris said the deadline for distributing the proclamation came after the last Council meeting.

- (2) **Ordinance No. 507 - AN ORDINANCE RELATING TO SOLID WASTE MANAGEMENT IN THE CITY OF VENETA, OREGON, INCLUDING BUT NOT LIMITED TO GRANTING TO SANIPAC, INC. THE EXCLUSIVE FRANCHISE TO COLLECT, TRANSPORT, AND CONVEY SOLID WASTE, RECYCLABLE MATERIALS AND YARD DEBRIS OVER AND UPON THE STREETS OF THE CITY, AND TO RECYCLE, REUSE, DISPOSE OF, OR RECOVER MATERIALS OR ENERGY FROM SOLID WASTE; CREATING NEW PROVISIONS; REPEALING ORDINANCES NO. 478, 441, 388 AND 382 AND ANY PORTIONS OF ANY OTHER ORDINANCES IN CONFLICT WITH THIS ORDINANCE AND DECLARING AN EMERGENCY**

Chris provided a memo that summarized the franchise agreement. He said Ric, Kyle and he met with Sanipac representatives to work through the franchise agreement. Some of the agreement's key elements were to continue with recycling efforts and keep rates down. Chris said several new services were added which he reviewed with the Council. He said the agreement will become effective February 1, 2013 and will include a 4%-5% rate increase. Future rate increase would be implemented annually based upon the Portland Consumer Price Index (CPI-U - all items - for Portland-Salem, OR, WA) without additional approval, allowing for more frequent but smaller increases. He said the last rate increase was granted by the Council in 2010. Sanipac will pay a 5% franchise fee every two months.

**MOTION: Thomas Cotter made a motion to approve Ordinance 507 for first reading by title only. Marion Esty seconded the motion which passed with a vote of 5-0.**

Ordinance No. 507 was read as follows: Ordinance No. 507, an ordinance relating to solid waste management in the City of Veneta, Oregon, including but not limited to granting to Sanipac, Inc. The exclusive franchise to collect, transport, and convey solid waste, recyclable materials and yard debris over and upon the streets of the city, and to recycle, reuse, dispose of, or recover materials or energy from solid waste; creating new provisions; repealing Ordinances No. 478, 441, 388 and 382 and any portions of any other ordinances in conflict with this ordinance and declaring an emergency.

**MOTION: Thomas Cotter made a motion to approve Ordinance 507 for second reading by title only and for final enactment. Marion Esty seconded the motion which passed with a vote of 5-0.**

Ordinance No. 507 was read as follows: Ordinance No. 507, an ordinance relating to solid waste management in the City of Veneta, Oregon, including but not limited to granting to Sanipac, Inc. The exclusive franchise to collect, transport, and convey solid waste, recyclable materials and yard debris over and upon the streets of the city, and to recycle, reuse, dispose of, or recover materials or energy from solid waste; creating new provisions; repealing Ordinances No. 478, 441, 388 and 382 and any portions of any other ordinances in conflict with this ordinance and declaring an emergency.

(3) **Resolution No. 1113 – A RESOLUTION ESTABLISHING GARBAGE COLLECTION RATES AND REPEALING RESOLUTION NO. 1022**

Chris said Resolution No. 1113 is required in order to provide residents with a 30 day notice that rates will be increasing. A resolution is also needed to implement the new rate schedule.

a. **Public Comment**

In response to a question from Wills Boothe, Ric said with regard to union bargaining purposes or other franchises, the CP-U is the most standardized index to tie increases to, i.e., cost, materials and supplies. He said the most commonly utilized index in the Willamette Valley, we fall into the urban CPI-U for Portland/Salem. He said it's the one that most parties can agree upon.

Close of Public Comment

**MOTION: Thomas Cotter made a motion to approve Resolution No. 1113. Marion Esty seconded the motion which passed with a vote of 5-0.**

(4) **2012 Pool Season Recap**

Chris provided a thorough recap of the pool expenditures, revenue, and comparisons for 2010, 2011, and 2012.

In response to questions from Brittany Boothe, Ric said swimming rates have not increased since the pool opened. He said he felt rates were not a deterrent for the low numbers at the pool but those numbers could be attributed to losing a good aerobics instructor, a mild-weather summer, and the novelty of a new pool having worn off.

Tim Brooker said keeping the price down for swimming has always been a deciding factor.

Brittany Boothe said she felt if the price was lower maybe more people would utilize the pool.

Chris said out-of-town resident usage decreased from 38% in the first year to 20% in 2011 and 18% in 2012. He said City resident usage was also down this year. He said it doesn't cost more to operate the pool if there are 10 kids or 100 kids - anytime the pool is not close to full capacity, we're not generating revenue. Chris said staff has plans to look into offering other activities at the pool, i.e., movie night. He said one example of trying to lower costs is public works' efforts to use the solar panels to heat the pool more before the propane heaters are fired up. He said we continue to look for ways to cut costs but it's really about generating more revenue.

In response to a question from Thomas Cotter, Ric said there is no pool committee within the Park Board. He said there have been discussions about what could be done differently, but the Park Board really isn't familiar with the pool operation. He said previously pool operations were managed by the Community Services Director and now the Public Works Director will oversee all pool operation, although the whole management team is now involved with the pool.

Thomas Cotter said at some point the City should develop a Parks Department with the pool manager becoming more involved. He said we've lost momentum since we built the pool and we should do some outreach by attaching the pool to the Park Board.

Ric said the recent poor economic times is likely keeping families from utilizing the pool. He said the pool is a large risk factor and we need to stay cautious about turning it over to volunteers. He

said maybe the Park Board could put together a movie night. Ric said the management team will have several discussions on this topic.

In response to a question from Mayor Larson, Chris said a swim team started using the pool this year and they continue to recruit for next year.

Ric said every year usage drops off the second half of August. He suggested the possibility of closing the pool a week or two early.

In response to a question from Brittany Boothe, Ric said if it comes to closing the pool, staff will bring the issue to the Council for discussion and approval.

Tim Brooker said those discussions should start soon.

Ric said developing a Parks and Recreation Department is complicated and it's going to take a lot of effort; one issue is working with other taxing districts.

- b. Community Development Director.....Kay Bork  
(1) Request to Grant Lane Electric Cooperative an Access and Utility Easement on City Property

Kay said Council action is required to approve granting Lane Electric Cooperative an easement to access their utilities on the Wastewater Treatment Plant property. She said legal counsel drafted an agreement which Lane Electric has reviewed and approved.

In response to a question from Thomas Cotter, Kay said the true consideration will be changed to zero.

**MOTION: Thomas Cotter made a motion to grant an access and utility easement to Lane Electric Cooperative as presented, and authorize the City Administrator to sign the easement document on the City's behalf. Brittany Boothe seconded the motion which passed with a vote of 5-0.**

- c. Finance Director.....Shauna Hartz  
(1) **Resolution No. 1110** - A RESOLUTION ESTABLISHING WATER FEES AND RATES FOR USERS OF THE VENETA MUNICIPAL WATER SYSTEM AND REPEALING RESOLUTION NO. 1094

Shauna said Resolution 1110 is required in order to increase the water base rate and use rate, the water rate analysis was done several years ago and called for a water rate increase of 6% per year. An increase of 6% is being proposed because it equals the two 3% increases already scheduled. Staff thought the rate should be increased to 6% now because the new rate analysis will be done by June and will likely require another rate increase in order to meet debt payments and required reserves for the pipeline project. This rate increase calculates to \$7.92 per year.

In response to a question from Brittany Boothe, Shauna said staff is anticipating rates are going to go pretty high and at one point the Council was interested in spreading those increases out over several months rather than one large increase.

Ric said staff was hoping FCS would be well into the rate analysis by now and that we would have a preliminary rate analysis to us by now. He said staff is planning on a double digit increase but would like to diffuse some of that now in order to lessen the amount that's predicted in July 2013. We would also like to bank roll some of those revenues because we know the increases will be significant. He said originally staff anticipated a 100% rate increase to offset additional pipeline costs, so staff is recommending ramping it up slowly rather than having a huge increase in July.

Brittany Boothe said she felt we would already be ramping up rates by charging an increase five

months early.

Tim Brooker said it made sense to have multiple rates increases rather than one large increase.

Ric added that the last rate analysis was a two phase process. The 3% rate increases proposed in 2009 was semiannually (January and July) to get our operational funds where they needed to be. Those increases were to cover operational costs outside of the pipeline. Staff is proposing a 6% increase now to build up reserves for the future debt service payments.

In response to a question from Thomas Cotter, Shauna said staff would like to see the City build up reserves in order to address the upcoming pipeline related expenses. She agreed with Thomas Cotter that the revenue raised now will go into a reserve fund or will be applied to future pipeline operating/debt costs.

In response to a question from Tim Brooker, Ric said even though the pipeline project came in several million dollars less than was anticipated, the City will still have about \$9 million dollars in debt service for construction of the pipeline, plus EWEB's one mile of pipeline in Eugene (about \$1.5 million dollars), plus the cost of the wholesale water from EWEB.

a. Public Comment

**Victoria Hedenstrom, 25206 Irenic Dr., Veneta, OR**

Ms. Hedenstrom said residents are facing three rates increases (garbage, stormwater and water) and she asked if the increases could be spread out a little bit.

Ric said the stormwater increase has already been deferred for five years and the garbage increase won't go into effect until February 1, 2013. He said the stormwater master plan will be close to \$500,000 so we need to figure out how to find the funds to keep things flowing. He said educating residents to clean storm drains and keep leaves out of the street will help keep rate increases to a minimum.

Shauna said the average household will see a monthly increase of .66 cents for water base and 20 cents for stormwater.

Ms. Hedenstrom suggested information about the upcoming rate increases should be included in a water bill. Also included should be the fact that there hasn't been an increase for several years and that it's a small increase. She suggested a 3% rate increase now and then again on April 1, but the key is communicating with residents that these rate increases are coming.

Ric suggested the January newsletter could include information regarding the rate increases.

**Linda Boothe, 25331 Jeans Rd., Veneta, OR**

Ms. Boothe suggested notifying residents as soon as possible that there will be a rate increase and the rate increase planned for July should be moved up to March and have a write up in each monthly newsletter. She said an article could be included in the Fern Ridge Review.

Shauna said the Council would still need to approve the first 3% increase.

In response to a question from Thomas Cotter, Shauna said these rate increases will not pay for current operating expenses.

In response to a question from Tim Brooker, Ric said the last water rate analysis showed how far behind we were with our rates just to cover major repairs. Those rate increases did not

include pipeline costs or bulk water purchases from EWEB. He said we need to start thinking about storing some reserves to cover those costs but until the rate analysis is completed we won't know what the rates will be. We can start planning for those future costs by making several small increases now instead of one very large one later.

Mayor Larson suggested repeating the 2009 rate increase information but once staff has the new rate increase information it should be provided to residents as soon as possible. She said the Fern Ridge Review has worked very well with the City to get information out.

Brittany Boothe said she understands the pipeline is a large and costly project but she is concerned that it's getting too expensive to live in Veneta and that's why she is suggesting a 3% rate increase in January and again in July. She felt the City should give people more time to get used to the increases and she felt there would be a greater benefit to residents to wait until July to introduce the second 3% increase.

Thomas Cotter said not everyone will see their garbage rates go up but everyone will have water and sewer. He said he is in favor of a gradual increase so the burden doesn't come on quickly and all at once.

Ric said the Council has three choices: fulfill the 2009 rate and move forward with a 3% increase now and direct staff to bring the second 3% rate increase in April or wait until July, or approve a 6% rate increase now.

In response to a question from Brittany Boothe, Ric said if the Council approved the 6% increase now, residents shouldn't see as big of an increase in July 2013 when the pipeline is close to completion.

In response to a question from Wills Boothe, Tim Brooker said because residents will likely be using more water in July, staff is proposing a 6% increase now and forgoing a rate increase in July.

Ms. Hedenstrom said she understands the increases are not significant but it's the perception of another rate increase. She said with regard to the stormwater increase, it should be communicated to residents that there hasn't been a stormwater increase for five years.

Mayor Larson agreed that the newsletter should be a source of information for residents and the more information provided to residents, the better. She said the January newsletter should include information about all upcoming rate increases. She said regardless of what the council decides, it must be explained to residents.

In response to a question from Brittany Boothe, Ric repeated that implementing a 6% increase in January 2013 will lower the overall water rate increase when the pipeline is implemented.

Ric said there are several policy questions that need to be asked and answered. We will be taking on four to five new expenditures; including funding EWEB's \$1.5 million dollar pipeline and paying the wholesale water rate. Unfortunately, we just haven't gotten as far along with the rate analysis with FCS as we'd hoped to by now.

Close of Public Comment

Thomas Cotter suggested implementing the 6% increase in January 2013, providing the results of the rate analysis to residents, and preparing citizens for future rate increases.

Tim Brooker agreed.

**MOTION: Thomas Cotter made a motion to approve Resolution No. 1110. Tim Brooker seconded the motion which passed with a vote of 5-0.**

- (2) **Resolution No. 1111** - A RESOLUTION ESTABLISHING A STORM WATER DRAINAGE FEE FOR THE CITY OF VENETA AND REPEALING RESOLUTION NO. 947

Shauna said the Stormwater Drainage Fund was first implemented in 2004 and the last increase was in 2007. Resolution No.1111 is being proposed to increase these fees to \$2.20 for residential households and \$6.60 for commercial and industrial users. She said she referenced the Consumer Price Index for Urban Wage Earners (CPI-U) as a commonly used factor for determining cost of living increases. She said the proposed 10% increase translates to 20 cents per month for residential accounts and 60 cents per month for commercial and industrial accounts.

Public Comment  
None

Brittany Boothe said information regarding this rate increase should also be included in the monthly newsletters.

**MOTION: Thomas Cotter made a motion to approve Resolution No. 1111. Tim Brooker seconded the motion which passed with a vote of 5-0.**

- (3) **Resolution No. 1112** - A RESOLUTION ESTABLISHING LOW-INCOME ELIGIBILITY CRITERIA FOR REDUCED WATER AND SEWER BASE FEES AND REPEALING RESOLUTION NO. 992

Shauna said in 2007 the City Council approved the Reduced Water and Sewer Fee Program. In order to qualify for a 25% deduction on water/sewer accounts, residents were required to provide documentation that verified their income level. In past years the City worked with the Low Income Energy Assistance Program (LIEAP) which was administered by Lane Council of Governments (LCOG) to determine eligibility and verify income. She said beginning in 2013 staff will determine eligibility and verify income separate from LIEAP. Resolution No. 1112 sets the guidelines of the program including clarifying the documents the City will accept for verification and basing eligibility on the total household gross income.

In response to questions from Thomas Cotter, Shauna said City staff will take care of the paperwork.

Ric said 28 households received the reduced rate last year. He said if LCOG is already working with a household, they would pass information about our program on to them.

In response to a question from Brittany Boothe, Kyle said the City has approximately 1500 water accounts and there are less than 100 households with private wells.

In response to a question from Mayor Larson, Shauna said LCOG and LIEAP are referring residents to City Hall to get an application.

In response to a question from Thomas Cotter, Ric said the application is available online.

Mayor Larson said it is important to get information to our residents about this program.

Ric said if we can't get it in the January newsletter, it would get in the February newsletter

**MOTION: Thomas Cotter made a motion to approve Resolution No. 1112. Marion Esty seconded the motion which passed with a vote of 5-0.**

(4) Authorization for City Administrator to Execute Re-Financing Documents

Shauna said a year or so ago she and Ric reviewed the City's long term debt the results of which were incorporated into the FY2012/2013 budget. She said extra payments were made on some long term debt and since July two debt obligations have been paid off. Shauna said the Pool Bond and the Sewer System Revenue Bond are not eligible for early payoff, but after talking with Siuslaw Bank about two outstanding loans it was determined that those loans are eligible for refinancing at an interest rate of 3.475%. If Council members agree, the City Administrator can execute the refinancing documents for these two bank loans. Shauna said the estimated savings in interest after refinancing fees is \$24,650 and \$48,454 respectfully.

In response to questions from Thomas Cotter, Shauna said these two loans are due in 2019 and 2029.

**MOTION: Thomas Cotter made a motion to authorize the City Administrator to execute all documents required to re-finance two loans outstanding with Siuslaw Bank. Marion Esty seconded the motion which passed with a vote of 5-0.**

d. Public Works Director..... Kyle Schauer  
(1) Adopt-A-Park Program/Agreement

Kyle said recently a civic group approached the City about adopting a park. He said several years ago the City implemented an Adopt-A-Park program and since that time a packet was pulled together and can now be offered to groups that are interested in adopting a City Park. The packet is very complete and provides pretty much everything needed to track the process.

In response to questions from Mayor Larson, Kyle said the Lions Club informal adoption of Ralph Johnson Park several months ago spurred the City to create the Adopt-A-Park packet. He said the Adopt-A-Park application has been provided to the Lions Club and he's confident it will follow through with completing the packet. Kyle said if a group is interested there is a section for advanced tasks that outlines adding a structure to an existing facility.

**MOTION: Thomas Cotter made a motion to approve the Adopt-A-Park program. Marion Esty seconded the motion which passed with a vote of 5-0.**

e. City Administrator..... Ric Ingham  
(1) Fern Ridge Chamber of Commerce Utility Bill Waiver

Ric said on behalf of the Fern Ridge Chamber of Commerce Board of Directors he is requesting to waive the water bills for the visitor's center and the Chamber offices. This is the third year the Chamber has asked for assistance. He said their usage continues to be minimal at about 4% to 5% of the average household use. He said their usage increased a little bit this last year but unfortunately Chamber revenue has not. The potential loss of income to the City will be about \$816 for the upcoming year. He said however, he felt this lost revenue is offset by what the Chamber does for our community.

**MOTION: Thomas Cotter made a motion to grant a one year extension to the Utility Billing Waiver for the Fern Ridge Chamber of Commerce effective January 1, 2013. Marion Esty seconded the motion which passed with a vote of 5-0.**

Thomas Cotter said the Chamber has a new volunteer that is working on recruiting businesses to join the Chamber.

Mayor Larson said she attended their annual event which unfortunately was not well attended. She said the Chamber plans to sponsor a signature event to increase their visibility in the

community.

Ric said Gina, Robbie and Sara receive good participation at the Chamber lunches which are held the second Wednesday of each month at Our Daily Bread.

In response to a question from Brittany Boothe, Ric said staff will encourage the Chamber to provide the Council with an update at the January or February Council meeting.

(2) **Resolution No. 1109** - A RESOLUTION ADOPTING PARK BOARD BYLAWS AND REPEALING RESOLUTION NO. 1082

Ric said Resolution No. 1109 is required in order to approve a revision to the Park Board Bylaws regarding how student representatives are somewhat self-appointed. He said the Board recommended student representative terms begin annually on March 31<sup>st</sup> with both positions being appointed by the Mayor. He said ideally the two positions would be filled by a Senior and Junior High School student. Appointments in March would allow student representatives to come on in the spring so they fully engaged during the summer and ready to go for the fall.

**MOTION: Thomas Cotter made a motion to approve Resolution No. 1109. Marion Esty seconded the motion which passed with a vote of 5-0.**

(3) Questions From Councilors

In response to a question from Mayor Larson, Chris said this is the last colored packet the Council will receive. He said the updated informational binders, new agenda format, and packet notebooks will be provided at the first meeting in January.

**OTHER**

Kyle said the Public Works crew extended a lot of effort with the annual Food Drive, Santa Project, and the Light Parade. He said all three events were very successful.

Ric thanked Kyle and his crew for all their efforts. He said this year's Light Parade was bigger and better than previous years with more than 55 floats participating.

Ric said because Christmas Eve falls on a Monday, City employees voted to use the floating holiday on Monday, December 24<sup>th</sup>; therefore, City Hall will be closed Monday and Tuesday, December 24<sup>th</sup> and 25<sup>th</sup>.

Ric said management staff has been working on setting a date for a four to five hour Council orientation and Goal Setting Session. Legal Counsel is available on Saturday, January 12<sup>th</sup> to provide a two hour orientation which will focus on ethics and open meeting laws, etc. for the new Council members. He said staff could work on other dates if this date doesn't work for Council members.

Ric also provided an update on the multi-use path project that Kay presented to the Lane Area Commission on Transportation (LACT) on December 12<sup>th</sup>. He said our project was one of about 20 other requested projects which totaled 19 to 20 million dollars. He said ours was the smallest request at \$140,000 but staff felt it is a viable project that can spur a lot of strong support and staff is feeling upbeat. LACT will make a recommendation to Oregon Transportation Commission (OTC) at their February meeting and ODOT's Region 2 staff presented the spot improvements for Highway 126 which hopefully will receive a high priority. He said the southern alignment multi use path will work together nicely with the Highway 126 improvements and staff is hopeful OTC will see that. Ric asked that anyone interested in submitting a letter of support should do so. He said staff will work on getting the project in an upcoming City newsletter to let people know how they can support the project.

In response to a question from Tim Brooker, Ric said donations for the food boxes were down but the number of cash donations was up. The schools also made food donations. He said because Foster Farms lost a building to a fire, the number of donated chickens and turkeys were down. He said even though the applications for food boxes were up many people didn't show up to pick up boxes but the fire department made home deliveries. Ric thanked all the volunteers that assisted with the food drive.

Tim Brooker said 675 kids received toys at the Santa Project.

In response to a question from Mayor Larson, Ric said ODOT's Highway 126 proposal is not on the City's website but staff will work on making that available for review. He said ODOT did a nice job with phasing those improvements in. Their request was for \$2.8 million dollars but half of that can cover many improvements. The full request included a number of things including a stop light at Ellmaker Rd. He said he would provide the full application if any Council members would like to see it.

Ric thanked Marion Esty for the many years of service she has given to the City and the community. He also thanked Tim Brooker for accepting the appointment to the City Council for the last few months.

**6. ADJOURN**

Mayor Larson adjourned the Veneta City Council at 9:10 p.m.



Sandra Larson, Mayor Pro Tem

ATTEST:



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