

# Minutes of the Veneta City Council

## March 25, 2013

Present: Sandra Larson, Brittany Boothe, Thomas Cotter, and Thomas Laing

Absent: Victoria Hedenstrom

Others: Ric Ingham, City Administrator; Kay Bork, Community Development Director; Lisa Garbett, Associate Planner; Shauna Hartz, Finance Director; Chris Workman, City Recorder/Human Resources and Risk Management Administrator; Darci Henneman, Assistant City Recorder; Gina Haley Morrell, Vicki Piva; Patty Little, Mary Jo Wade, and Michelle Ossowski, Fern Ridge Review

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### 1. CALL TO ORDER

Mayor Sandra Larson called the Veneta City Council to order at 7:10 p.m.

### 2. PUBLIC COMMENT

Ric said Patty Little had signed up to make a public comment; however, many people may want to speak during specific agenda items. He said if Mayor Larson agrees with that, Ms. Little, as well as anyone else, can speak to the Council throughout the agenda.

Mayor Larson agreed.

### 3. CONSENT AGENDA

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

Brittany Boothe said she would like to make a minor clarification to the March 11, 2013 Council minutes. She said the intent of her statement on page seven was that the Council could have a discussion about determining the number of passes to be donated per year, and not to cap requests from one group.

After a brief discussion it was the consensus of the Council to remove the March 11, 2013 City Council minutes from the consent agenda so that staff could make the correction and place the March 11<sup>th</sup> minutes on the April 8<sup>th</sup> consent agenda for approval.

**MOTION: Thomas Cotter amended his motion to approve the consent agenda except for the March 11, 2013 City Council minutes. Thomas Laing seconded the motion.**

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

The consent agenda as approved included Minutes for March 11, 2013 Work Session, Minutes for March 18, 2013 Work Session, Accounts Payable through March 19, 2013, and the Civic Calendar for April, 2013.

Ric said staff will provide the earlier adopted policy regarding pool donations and if we need to include a specific number of passes given out, we can do that as well.

In response to a question from Brittany Boothe, Ric said we look at the pool passes as a marketing tool to get more people into the pool and in turn, hopefully become repeat paying customers.

#### 4. COUNCIL BUSINESS AND REPORTS

##### a. Business

###### (1) Wineries without Walls Annual Report

Gina Haley Morrell, President of the Fern Ridge Chamber of Commerce and Vicki Piva, Tasting Room Coordinator, provided the Wineries without Walls financial reports. Ms. Haley-Morrell asked Council members if they had any questions.

In response to a question from Mayor Larson, Gina said the wine season runs Memorial Day through Labor Day and special hours during the Thanksgiving weekend. She said during the off season Wineries without Walls (WwW) hosted two special events.

In response to a question from Thomas Cotter, Gina said at the March 12<sup>th</sup> Chamber Board meeting the Board elected to put WwW up for sale but since that time the Board has met with their landlord and will meet with him tomorrow to discuss the situation. The Board is hopeful the Chamber of Commerce, the Visitor's Center, and WwW will be able to remain in its current location.

In response to a question from Mayor Larson, Ms. Morrell said WwW does not have any special events planned but will start up Memorial Day through Labor Day for the wine season. She said she and Ms. Piva are very excited and passionate about the WwW program.

In response to a question from Brittany Boothe, Ric said the original business plan identified deficiencies in operating capital. He said he also wants to stay optimistic about keeping the Chamber office open but there are still underlying issues that continue to pull the program down. He said if Vicki had a higher marketing budget to work with and the City helped secure Lane County Tourism grants it would help, but there also needs to be a level of certainty before we can pursue that.

In response to a question from Thomas Cotter, Ms. Morrell said WwW does not qualify for the small blue road signs because its hours of operation do not meet the criteria.

Ms. Piva said the WwW program caters to wineries of various sizes. She said they are just starting to get the word out to involve other wineries. She said unfortunately, many things inhibit the program from increasing its operating hours.

In response to a question from Thomas Cotter, Ms. Piva said the Oregon Liquor Control Commission (OLCC) prohibits the wineries from donating a portion of their sales to the program but wineries do pour their wine.

In response to a question from Brittany Boothe, Gina said the program has considered requiring the wineries to become members of the Chamber but that still has not changed. She said in fact, one winery is a Chamber member but does not participate in the WwW program.

In response to a question from Mayor Larson, Ms. Morrell said in September the program received an OLCC license to sell wine by the glass and those sales have increased. She said all by the glass sales go directly into the WwW program.

###### (2) Fern Ridge Chamber of Commerce Update

In response to questions from Brittany Boothe, Ms. Morrell said the Chamber will remain at its current location throughout the end of the year and renegotiate the lease at that time. She said the Board is hopeful the lease will be renewed and the Board feels positive about the situation.

- (3) Lane County Sheriff's Office Activity Reports for December 2012 & January 2013  
Sgt. Osborne explained the color chart that Chris created. He said the chart provided three years of public safety activity and crime totals for the City. He touched on specific areas of interest and asked Council members if they had any questions.

In response to a question from Mayor Larson, Sgt. Osborne said there are several violations that require vehicle impoundment: Driving Under the Influence of Intoxicants (DUII), driving while suspended, speed racing, and driving uninsured.

- (4) Park Board Annual Report  
Barbara Nelson reviewed the annual Park Board report with the Council. She said this year's Easter Egg Hunt will be Saturday, March 30, 2012 from 10:15 a.m. to 2:00 p.m.

Mayor Larson thanked Ms. Nelson and said the Council appreciates all the efforts of the Park Board.

Ms. Nelson said the Earth Day event will be held on April 12<sup>th</sup> from noon to 2:00 p.m. at Veneta Elementary and will include all grades – kindergarten through fifth grade and preschoolers are also invited. Last year's event focused on kindergarten through third grade.

In response to a question from Mayor Larson, Ms. Nelson said she is not sure if Elmira Elementary students will be attending the event.

Ric said he and Mayor Larson met with Superintendent Freidrich who indicated he would follow up on Elmira Elementary attending the event.

- (5) Recognition of outgoing Park Board Members Barbara Nelson and Braeden Cornelius  
Mayor Larson presented Barbara Nelson with a certificate of appreciation and thanked her for her many years of service to the City and the Park Board. Braeden Cornelius could not attend tonight's meeting.

- (6) VISTA Update – Fern Ridge Service Center  
In 2012, the City and Mid Lane Cares partnered to fund a VISTA/Americorp position to assist with several tasks to ensure a smooth transition for the programs moving to the Service Center. Dr. John Baumann has been the VISTA member since September 2012. Kay said Dr. Baumann will be addressing the Council.

Dr. John Baumann spoke about the Rural Medical Outreach Program Proposal. He said Bobby Greene and Kay Metzger, formerly with Lane Council of Governments (LCOG), will work with Oregon Health Authority and Community Connections is working in conjunction with Peace Health in recruiting other agencies throughout the area. Dr. Baumann said they are working with Lane Community College (LCC) to set up volunteer opportunities for students through their paramedic, nursing, and office assistance programs for rural health care and also the rural fire departments.

- (7) VISTA/AmeriCorps Service Proclamation  
Mayor Larson read the Service Proclamation and declared April 9, 2013 as National Service Recognition Day. She thanked Dr. Baumann for his efforts and the knowledge he brings to this worthy cause.

b. Councilor/Committee Liaison Reports

Mayor Larson said HomeSource Family Charter School's application was denied. She said it's likely they will appeal to the state Board of Education and if the Board finds in favor of

HomeSource the school will likely become a reality, but the school district has no idea where they will locate. Dr. Friedrich said this could affect some Title I and special education staff salaries. Mayor Larson said the fencing at Elmira Elementary is nearly completed.

**5. STAFF REPORTS**

a. Community Development Director..... Kay Bork

(1) Rural Medical Outreach Program Proposal for Fern Ridge Area

Cat Amber of Mid Lane Cares (formerly Mid Lane Community Partnership) provided Council members with a new brochure. She said Mid Lane is sponsoring the Rural Medical Outreach (RMO) program. She briefly explained the program to the Council. Other involved agencies include the City of Veneta, Lane Council of Governments, Lane Fire Authority, Lane Community College and the Volunteers in Medicine Clinic to work toward increasing available medical and community services to residents of the community. Success of the RMO will be its partnership with the Volunteers in Medicine Clinic and the development of a Community Health Volunteers Program. She said Mid Lane has applied to host a second year VISTA volunteer to track the development and implementation of the program. She asked if the City Council would provide a letter of support of the program.

Mayor Larson said this sounds like a very valuable program.

In response to a question from Mayor Larson, Ms. Amber said only people age 60 and over can receive treatment at the Service Center; however, anyone can go if the program is set up at a church.

In response to a question from Thomas Cotter, Ms. Amber gave an example for a woman under age 65 who would qualify to go to the Springfield clinic but she lives in Veneta so she can go to the Service Center for treatment.

In response to a question from Mayor Larson, Ms. Amber said if a person earns too much to qualify for the Oregon Health Plan then they would not qualify for this program but those levels are changing.

Ric said the Service Center had always identified some medical services would be provided at the Service Center but the Council should be aware and comfortable that these additional services could be provided along with the other services.

Ms. Amber said the Advisory Committee will hold its first organizational meeting on April 8<sup>th</sup>. She asked if the Council would like to provide a letter in support of grant funding.

Mayor Larson said the Council would need more information in order to provide a letter of support.

(2) Mid Lane Cares – Request for Lease Renegotiation/Operational Assistance

Mary Jo Wade said she is very excited about the new Service Center. She said fundraising has been okay but not off the charts. She said operating costs for the Center was budgeted at \$10,000 per year but realistically it will be more like \$20,000. She said it's going to take an effort for the Service Center to become fully independent.

Mayor Larson said funding restrictions have made it difficult.

Ms. Wade requested some of the terms of the lease between the City and Mid Lane be renegotiated. Mid Lane would like to remove the requirement that it fundraise \$6,000 annually for future maintenance; that the City continues to insure the building after the first year, and

also waive the sewer and water usage fees for one year. Ms. Wade said Mid Lane Cares would like clarification on the timeline of the CDBG restrictions – when the clock starts on the five years. She said Mid Lane is taking the position that as the landlord, the City should insure the building until that five year period expires.

Ric said the required \$6,000 was identified as a repair fund. He said this is not a funding requirement from CDBG but a City requirement included in the lease. He said the City would have an umbrella policy that would cover the building but the individual programs should provide their own insurance. He said the City's coverage likely would not provide coverage for other entity programs.

Dr. Baumann said that's one reason why the RMO wanted to partner with Volunteers in Medicine Clinic because it would provide liability insurance coverage.

In response to a question from Mayor Larson, Kay said annual insurance cost was budgeted at \$2,500 and the water and sewer was about \$2,000.

Ric said that at this point, in order for staff to start renegotiating the lease, staff would need a consensus of Council members to do so.

It was the consensus of the Council to direct staff to begin lease negotiations with Mid Lane Cares.

(3) Fern Ridge Service Center Update on Value Added Engineering List

Kay said staff is providing an update and requesting the Council approve the priority items to be added back into the project that were removed as part of the Value added (VE) Engineering. She said the project came in \$225,000 over budget so several items were removed and as construction moves forward we're likely in a position to add elements back into the project. Kay reviewed the furniture and fixture priority list and the current City out of pocket expense list with Council members. She said a grant came in from the Autzen Foundation to pay for the warming oven. Kay also said previously the Council approved the landscaping design and most likely much of the landscaping costs will be donated by local nurseries and Home Depot has a Service Center program. She also said the phone equipment was donated by a medical office that went out of business but installation costs will be about \$1500.

Ric said it's important to note that when we applied to have the Service Center built, we knew our matched dollars had to be spent first and then non-CDBG funds could be spent on fixtures and furniture. It could be that we don't spend the \$1.5 million dollars and many of the things listed cannot be considered CDBG eligible.

In response to a question from Mayor Larson, Ric said one to three modifications may be needed to the CDBG contract. Those modifications need to take place before our discretionary funds can be spent on non CDBG eligible items.

Kay said staff would work with a CDBG representative on the contract modification.

In response to questions from Brittany Boothe, Ric said we could chose to be reimbursed for the landscaping design costs and as far as the trash enclosure, it's not likely a high priority but because we need to spend our money first and if there's CDBG funds left, why wouldn't we spend it?

Kay said it's down to permanent fixtures verses non-permanent fixtures; we need to spend our money on the non-permanent fixtures before CDBG spends their money on the permanent fixtures because any potential remaining CDBG contingency funds cannot be spent on non-permanent fixtures.

Ric said if the Council provides staff with broad direction, staff will bring back the necessary contract modifications and the detailed budgets, and look more closely at the line items and how much of the contingency is within the CDBG funding and how much of it is within the City's match.

Kay said the City's match is \$60,000 and CDBG's fund is \$79,000 so we would need to spend the \$60,000 first.

Ric said the first \$60,000 of all contingency will come from City funds first.

In response to a question from Brittany Boothe, Kay said so far we've only spend \$4,000 of the contingency for over excavation costs and not for the landscaping plan.

Ric said any capital project, the actual estimate cost (in this case it was \$1.3 million dollars) we have to set aside 10% of the project cost in case we have an overrun. CDBG wants to make sure we have enough money in the budget in case the worst case scenario comes about.

Mayor Larson said it's likely we'll be able to cover a lot of the things on the list and the \$60,000 has already been budgeted.

Ric said first we'll reimburse ourselves for the \$32,000 that was above and beyond the out of pocket that was budgeted.

Kay said she will provide updates on the status of the contingency.

Ric said when staff gets the green light to draft a modified CDBG contract staff will provide the Council with an update. He said the other partners are also out soliciting to secure funds for the non-fixture items.

**MOTION: Thomas Cotter made a motion to approve the priority list of items to be funded with available construction contingency. Thomas Laing seconded the motion which passed with a vote of 4-0.**

- (4) **Ordinance 508 – AN ORDINANCE ADOPTING AMENDMENTS TO THE VENETA LAND DEVELOPMENT ORDINANCE of 2010 (ORDINANCE 493) AND LAND DIVISION ORDINANCE 494. For Second Reading by Title Only and Final Enactment.**

**MOTION: Thomas Cotter made a motion to approve Ordinance No. 508 for second reading and final enactment. Thomas Laing seconded the motion which passed with a vote of 4-0.**

Ordinance 508 was read into the record for second reading by title only and for final enactment.

- b. City Recorder/HR & RM Administrator.....Chris Workman  
(1) Process for System Development Charges (SDC) Methodology & Calculation  
Chris said any time there are changes to the methodology for any system development charges (SDCs) the City is required to provide a 90 day notice prior to the first public hearing

to any persons who has made written request for such notification. Per Veneta Municipal Code 13.25.150(2)(a), persons requesting notification are placed on an "Interested Parties" list. Currently, the City does not have an interested parties list so the City has no such obligation. However, the City is required to provide the methodology supporting the SDC for public review no less than 60 days prior to the first hearing. Staff recommended the Council schedule the first public hearing for June 10, 2013 initiating the start of the 60 day public review requirement. Following that hearing, the Council may pass a resolution adopting the new water SDCs which would take effect immediately.

Tom Laing said something this significant should be published.

Ric said legal counsel recommended June 10<sup>th</sup> be noticed as a public hearing.

**MOTION: Thomas Cotter made a motion to direct the Council schedule the first hearing regarding proposed changes to the Water System Development Charge for June 10, 2013, thereby initiating the 60-day public review period. Thomas Laing seconded the motion which passed with a vote of 4-0.**

In response to a question from Thomas Laing, Ric said the City newsletter will include the public hearing notice.

c. City Administrator..... Ric Ingham

(1) Request from Plough Monday to Lease Jeans Rd. Facility

Ric said Norm Vidoni and his partner have worked very hard on finalizing their funding package. They would like to move forward with the plan to lease the facility in order to start producing and selling their product. Ric said staff would work directly with legal counsel on drafting the lease to bring back to the Council by the seconding meeting in April. He said because a City facility is being converted to a commercial use, some changes to the building need to be made, updates to parking area and landscaping will also be required.

In response to questions from Brittany Boothe, Ric said not all of the improvements need to be addressed prior to Plough Monday taking over but these are things that would be required for any site plan review regardless of the site use. Staff is hoping to keep improvements costs to around \$10,000 and would like see those costs be paid for from the Economic Development fund which has a line item of \$20,000. Ric said while the City is making the outside improvements, Plough Monday can be in there making some interior improvements. Staff is looking at June 1<sup>st</sup> to issue the certificate of occupancy. He said much of the work can be done in-house to meet Plough Monday's timeline as outlined.

**MOTION: Thomas Cotter made a motion to direct staff to negotiate a lease with Plough Monday Brewery to lease the property at 25237 Jeans Rd. Brittany Boothe seconded the motion which passed with a vote of 4-0.**

(2) Recoating and Repairs to Broadway Reservoir

Ric said staff is requesting the Council approve an additional \$285,000 to the pipeline project to cover the cost of repairs and maintenance to the two million gallon water tank and pipeline connection costs. The city engineer is recommending that if we have those improvements we should bring the entire tank up to a new standard. Ric reviewed the repairs that are needed. He said Murray Smith Associates (MSA) provided the estimates and staff is requesting the Council to accept the recommendation and start the paperwork to have this included as a change order.

In response to a question from Mayor Larson, Ric agreed that because the project is under budget this really isn't an issue.

In response to a question from Thomas Cotter, Ric said staff directed the engineer to prepare the bid and design standards, and because this addition is considered a change order within the existing contract, the change order is given to Pacific Excavation to secure the subcontractor.

In response to a question from Brittany Boothe, Ric said the contingency fund set up to cover different types of change orders would cover this cost but the overall project cost is still within the amount authorized by the Council.

**MOTION: Thomas Cotter made a motion to accept MSA's recommendations to move forward with the tank repairs and add the cost to the Rural Development funding package for the pipeline project. Brittany Boothe seconded the motion which passed with a vote of 4-0.**

(3) Alternative for Financing Pipeline

Ric provided some alternative financing options for the Council to review. He said the project is currently ahead of schedule and if EWEB can complete their one mile section of pipeline from Terry St. to Greenhill Rd. on time, the overall project could be completed as early as September 30, 2013 which is six months earlier than expected and a whole year earlier than expected from when funds were awarded by USDA Rural Development in 2011. He said the three main funding elements of the project are the USDA Debt Service, the EWEB water main, and the EWEB over capacity. He said staff is recommending that Urban Renewal funds be brought in to help offset SDCs and reduce the impact of the rate increases. This would require the Urban Renewal District to be expanded to include the section of pipeline within City limits. If the Council supports this idea, staff will provide materials for a more robust discussion at the April 8<sup>th</sup> Council meeting.

In response to a question from Mayor Larson, Ric said the approval would include the proposed Urban Renewal District map. Adding the pipeline to the Urban Renewal District will require a minor amendment which would be a 60 to 90 day process, but it would allow the Urban Renewal Agency to spend funds on the pipeline. He said EWEB would be willing to finance their section of the line. EWEB finances many large projects but we won't know what kind of interest rate we'd get until we get closer to the project completion date.

In response to a question from Thomas Cotter, Ric said EWEB would likely follow the same process to go out for a bond. He said the bond origination fee would likely be rolled into the upfront borrowing costs.

In response to a question from Mayor Larson, Ric said as far as funding alternatives go, the longest term we could get was 10 years - maybe 15 years, but local private lenders are not offering a 40-year term.

Ric said our current thought on financing costs for the EWEB line is high and the City is in a fortunate situation that we have state statute authority to provide an internal fund loan. He said currently through all different fund categories, we have about \$12 million dollars in the local government investment pool.

In response to a question from Thomas Laing, Ric said the City would charge 1% above the interest rate received from the investment pool.

Shauna there a few questions staff needs clarification on before we can move forward with this idea; for instance how long the loan term will be and the likely need for a reserve fund for sewer projects.

In response to a question from Thomas Cotter, Ric said SDCs would not be eligible to pay for the EWEB section of pipeline.

In response to a question from Mayor Larson, Ric said we could make the loan sunset after 10 years and maybe borrow it again if we need so we're not tying up the money for a long period of time. He said the over capacity portion is a smaller amount and a loan amortized over a 20 year time and a balloon payment at 10 years.

In response to a question from Thomas Laing, Ric said hopefully there will be other commercial entities hooking up to that pipeline which would result in reimbursement back to the City.

In response to a question from Mayor Larson, Ric said we need to look at wastewater SDCs and how are we going to spend SDC funds and the operating fund. He said it may be an area that we could see a reduction in the wastewater fees.

Mayor Larson felt staff is more than capable to do the work since it's a temporary reduction.

Shauna said we need to keep in mind that the plant is getting old and there will likely be larger ticket items as far as future maintenance goes.

Ric said when we built the wastewater plant we secured Rural Development funds to pay for it. They dictated what the rate needed to be because there was no guaranty that SDCs would be there to pay down the debt. We need to set the SDC to pay for the plant and the lender sets the utility rate in order to meet the debt service, but at some point SDCs should have gone to retire some of the debt service.

In response to a question from Mayor Larson, Ric said he just wanted confirmation from the Council that staff is working in the right direction with regard to pursuing a possible wastewater rate reduction.

(4) Questions from Councilors

In response to a question from Thomas Laing, Ric said all paving costs are included in the Pacific Excavation contract.

**6. OTHER**

Ric reminded Council members to make sure they complete the Statement of Economic Interest by the April 15<sup>th</sup> deadline. He said if anyone is interested, there will be a 45 minute training webinar at City Hall on Wednesday, March 27<sup>th</sup> at 2:00. On another note, he said he and Kay will work on putting together the April 8<sup>th</sup> Council Work Session.

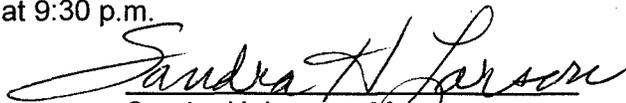
Mayor Larson reminded everyone of the League of Oregon Cities legislative update in Cottage Grove.

In response to questions from Mayor Larson, Ric said the management team will discuss the status of a new City logo tomorrow. He provided an update to the Council that LCOG has agreed to extend the City's website contract until the fall of 2013. He recommended to Mayor Larson that staff include this subject in the October Council Retreat for a more thorough discussion.

Mayor Larson suggested the committee could work on more ideas leading up to the Council Retreat.

**7. ADJOURN**

Mayor Larson adjourned the Veneta City Council at 9:30 p.m.

  
Sandra H. Larson, Mayor

ATTEST:



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