

# Minutes of the Veneta City Council

## April 22, 2013

resent: Sandra Larson, Brittany Boothe, Thomas Cotter, and Victoria Hedenstrom

Absent: Thomas Laing

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; 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 7:09 p.m.

### 2. PUBLIC COMMENT

None

### 3. CONSENT AGENDA

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

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

The consent agenda as approved included Minutes for April 8, 2013 Work Session, Minutes for April 8, 2013, Accounts Payable through April 16, 2013, and the Civic Calendar for May 2013.

### 4. COUNCIL BUSINESS AND REPORTS

#### a. Business

(1) Lane County Sheriff's Office Activity Report

Sgt. Osborne could not attend tonight's meeting.

(2) Request from Food for Lane County to use Broadway Park for Summer Food Program

Ric said Food for Lane County has been providing this summer lunch program for eight to ten years.

**MOTION:** Thomas Cotter made a motion to approve the summer food program. Victoria Hedenstrom seconded the motion which passed with a vote of 4-0.

(3) National Arbor Day Proclamation

Mayor Larson read the National Arbor Day Proclamation and declared the fourth Friday of April, (April 26<sup>th</sup>) National Arbor Day.

#### b. Councilor/Committee Liaison Reports

Brittany Boothe said as part of the collaboration between the Veneta Park Board and Veneta Elementary she volunteered at the April 12<sup>th</sup> Earth Day event at the grade school. She said there were many smiling faces and a great turn out of students as well as siblings and family members.

Mayor Larson said the lemur was very playful and fascinating.

Thomas Cotter attended the Distinguished Service Award (DSA) ceremony. He said Crow High School did a very good job with the presentation and said the entire program is always very well done. He encouraged everyone to attend the annual event.

Mayor Larson said she attended the School Board meeting which continued with past business but did not discuss the fate of the Noti Elementary building. She said the Veneta Elementary auction is Saturday, April 27<sup>th</sup>. The school board has three vacancies and two of them are contested. She said she and Ingham also attended the Yes on 20-123 Levy meeting for Lane County's public safety at the Lane County jail.

5. STAFF REPORTS

- a. Finance Director.....Shauna Hartz  
(1) Third Quarter Financials

Shauna Hartz provided the third quarter financial report. She said for the final three months of this fiscal year she and Ric will follow the percentages by the appropriation level to make sure we don't overspend. She said it's okay when a line item goes over what was budgeted as long as enough of the other line items don't reach their target. This means the total stays below the budgeted/target amount. She said ending fund balances look good and she pointed out funds doing well: the general fund ending fund balance is higher than it was in the beginning of the year as well as the water fund due to the increases to the water rates. The sewer fund ending balance is looking good and that will be a factor in the upcoming decisions regarding possibly lowering the sewer rate temporarily to help hold the total utility bill down. She said the Pipeline and West Broadway Development funds temporarily have negative fund balances because they are both reimbursed projects which require the City to expend its money prior to receiving reimbursement from the funding source.

In response to questions from Mayor Larson, Hartz said the \$212,000 for capital outlay in the Parks and Recreation fund reflects grant funds we didn't receive for the Bolton Hill Sports Complex. Hartz said the \$223,000 listed as capital outlay under local improvement was budgeted for the East Bolton Sewer LID for when the Council decides to move forward with that project.

- b. Public Works Director.....Kyle Schauer  
(1) Oregon Public Works Emergency Response Cooperative Assistance Agreement

Kyle Schauer said the current agreement will expire June 3, 2013. He said the Oregon Department of Transportation (ODOT) sponsors this program which enables other cities to assist one another in repairing roads in case of an emergency or natural disaster. The City entered into this agreement back in 2007. He said it's a good program and similar to the ORWARN agreement which is specific to water and wastewater assistance. Staff is asking Council members if the City would like to continue to be part of the agreement. Schauer said so far the City has not assisted another City nor have we required emergency assistance.

**MOTION: Thomas Cotter made a motion to give staff approval to enter into agreement with ODOT to continue participation in the Oregon Public Works Emergency Cooperative Assistance Agreement. Brittany Boothe seconded the motion which passed with a vote of 5-0.**

- (2) Wastewater Supervisory Control and Data Acquisition (SCADA) Upgrade

Schauer said this is an alarm system that monitors our water and wastewater systems and alerts staff when something is wrong. He said the system will actually call his cell phone or another operator to respond; however, the City's current wastewater system is in desperate

need of an update which was identified in the capital improvement plans and budget. Schauer said due to the water pipeline, the water SCADA system was upgraded but will no longer be compatible with the existing wastewater system. The contractor that provided the water update has also submitted a bid to update the wastewater system so that both systems will function together.

In response to a question from Brittany Boothe, Schauer said staff has been sitting on this project for a while to determine if both systems could work together. Kyle said the equipment on the cell tower provides the radio coverage needed.

**MOTION: Thomas Cotter made a motion to give staff approval to enter into agreement with the Automation Group, Inc. for an amount not to exceed \$32,000 to design, supply, and install equipment necessary to upgrade and integrate the SCADA system for the City's wastewater system. Victoria Hedenstrom seconded the motion which passed with a vote of 4-0.**

In response to a question from Mayor Larson, Schauer said Chris Meddings in the Public Works Dept. has wanted to install curbing around the play equipment at Broadway Park to keep the chips in the designated area and to improve drainage. Schauer said the Public works crew is also removing some tree stumps and planting grass in an effort to clean up the area and make it more usable.

- c. Community Development Director..... Kay Bork
- (1) Request for Rural Tourism Marketing Program (RTMP) Funds - Veneta Downtown Farmers' Market Fourth Friday Event

Kay Bork said staff is requesting the City Council authorize \$1000 of the Rural Tourism Marketing Program (RTMP) funds be allocated to the Veneta Downtown Farmer's Market (VDFM) be used for marketing and advertising the new Fourth Friday events. Bork said other local businesses partnering on this event include the Fern Ridge Chamber of Commerce and Oregon Country Fair (OCF). The group will likely use the funds for radio and print ads with assistance from Charles Ruff of OCF to market and plan promotions. Bork referred to the RTMP work plan which referenced the Wings & Wine event which has been cancelled this year making the \$1000 available for other tourism related projects.

In response to a question from Brittany Boothe, Ingham said the RTMP funds are transient room tax dollars collected by Lane County. He said even though Veneta does not have a motel to collect transient tax dollars, funds collected have an impact on all incorporated cities so we receive a portion of that distributed revenue. He said there are very specific criteria to follow that require the funds be spent to help promote tourism attractions/events.

In response to a question from Thomas Cotter, Ric said the Chamber currently receives the lion's share of the funds collected and the remaining is available for distribution. He said the state has been enacting new legislation that would allow the City to collect and retain a 6% transient room tax if we had a hotel.

In response to a question from Mayor Larson, Ric said likely when we build a motel we would retain all of the 6% tax collected as well as the \$6572 distributed from the pool of funds.

**MOTION: Thomas Cotter made a motion to aid in the marketing and promotion of the Veneta Downtown Farmer's Market Fourth Friday event by allocating the full request of \$1,000 from RTMP. Brittany Boothe seconded the motion which passed with a vote of 4-0.**

(2) Jeans Rd. Site Plan Review

Kay Bork said this is an update on the site plan review for change in use of the existing City owned Jeans Rd. water facility. Bork said in order to lease the facility to Plough Monday Brewing, LLC several site plan requirements are required before it can use the facility; provide a paved parking area, plantings in the bio swale to address stormwater, street trees, and a trash enclosure. She said these improvements total about \$16,700 and staff is suggesting using economic development account to cover the cost of these improvements.

Schauer said there is a 32,000 gallon tank under the building and he is waiting to hear from the previous City engineer on what, if anything is required of the City with regard to this tank.

In response to a question from Victoria Hedenstrom, Schauer said the tank opens with a hatch at the top and could be used for storage. He said previously the City stored water in it. Schauer said there are also several small things in the interior that need to be addressed but shouldn't cost more than a couple hundred dollars.

In response to a question from Mayor Larson, Bork said the site is currently zoned industrial so it should meet any future industrial uses. She said the number of parking spaces is based on the size of the building and its use. A retail or commercial business would require more parking spaces and if that's the case in the future, parking could be extended to the east and north.

In response to a question from Mayor Larson, Ingham said lease payments could be applied to any fund the Council chose but staff's view was to attempt to repay the several hundred thousand dollar investment the City spent on getting those two wells and treatment plant up and running.

In response to a question from Thomas Cotter, Ingham said the economic development account is different from the business assistance fund.

In response to a question from Victoria Hedenstrom, Ingham said the economic development account is a line item within the general fund. He said the Council could continue to allocate the lease proceeds to the general fund or the Council could split the lease payments between the water fund and the general fund?

Brittany Boothe said it seems logical to repay the water fund which should take precedence.

In response to a question from Victoria Hedenstrom, Ingham said the economic development account has always been an opportunity fund and is a tool in our overall economic development tool kit.

In response to a question from Brittany Boothe, Hartz said the \$20,000 in the economic development account was budgeted with no project in mind.

Ric said the policy is if the Council wants to invest the funds in this project, we as the owner of the building need to make those improvements before any tenant can occupy the building.

In response to a question from Mayor Larson, Ingham said the City leases three different cell tower sites within the City.

**MOTION:** Victoria Hedenstrom made a motion to approve the expenditure of up to \$20,000 from the Economic Development Account of the General Fund to make necessary improvements to the City Water Treatment site for a brewery use. Thomas Cotter seconded the motion which passed with a vote of 4-0.

- d. City Administrator.....Ric Ingham  
(1) Lease with Plough Monday Brewing

Ric Ingham provided the intent to lease and the lease agreement. He said this is a good exercise for staff to go through and prepare a site to meet City code and standards. He said its staff's hope that the brewery will occupy the facility for the full five years and get into the three year renewal cycle. If not, Council has the discretion to rent the building or sell the site with the improvements. The building currently is somewhat turn-key, so we do think that we're adding greater value to the site. He said legal counsel drafted the intent to lease which states the City, as the landlord, and Plough Monday, as the tenant agree to meet deadlines, get the deposits, etc. Ingham said rates in west Eugene for comparable warehouse space is about \$6 per sq. ft. Staff felt it was an appropriate amount. Also one condition is the City will defer the first four months of the lease payments in order for Plough Monday to use those funds for their start-up costs. Ingham said Plough Monday will still pay for 12 full months of rent in eight prorated payments. He said this is not an uncommon practice. He said the City will not release them from the obligation but those four months of deferred lease payments will be prorated over the remaining eight months of the lease.

In response to a question from Brittany Boothe, Ingham said the total annual rent will be \$8,112 which the tenant will pay in eight months instead of 12.

Brittany Boothe noted a typographical error in paragraph five. It should read "due" instead of "do".

In response to a question from Brittany Boothe, Ric said the improvements the tenant needs to do consist of bringing propane to the site, modify the venting, and build some interior rooms. Also, a state requirement is to provide dust abatement for the wheat grinder but no structural improvements will be done to the building.

Schauer said the key is to avoid the hops collecting mold. He said some painting is needed, floor, ceiling, walls, etc. He said the tenant was attracted to the building because of the existing subfloor drains in the building, the level of three phase electrical service, and the 32,000 gallon tank is available as well.

Brittany Boothe said it seems like a unique circumstance but in simple terms, the City's role is to make it a functional building.

In response to a question from Brittany Boothe, Ingham said if we had the spare building and had a ton of businesses and other breweries, the Council could say it doesn't have the funds to invest and we really don't want another brewery. However, in this situation, as the owners of the building, the City would complete the site plan and code process to ready the building for most industrial businesses to occupy. He said the tenant is responsible to get the building to their specifications. Ric said in most situations the landlord has a turnkey building and doesn't make the tenant pay for the improvements to ready the building for any industrial use to occupy.

**MOTION:** Thomas Cotter made a motion to authorize the City Administrator to enter into an Intent to Lease Agreement and Lease Agreement with Plough Monday Brewing, LLC for the purpose of operating a brewery out of the City's jeans Road Treatment Plant. Victoria Hedenstrom seconded the motion which passed with a vote of 4-0.

(2) Rural Tourism Marketing Program (RTMP) Assistance to Fern Ridge Chamber of Commerce

Ingham said staff provided the Council with the work plan and proposal on how to spend those dollars. He said for the 2013 work plan year, staff identified providing \$5000 to the Chamber - \$2500 for Wineries without Walls and \$2500 to operate the visitor's center. Staff is requesting the work plan be modified to identify \$4000 toward operation of the visitor's center, \$1000 to Wineries without Walls, and that Council members approve the expenditure of \$4000 to the Chamber for the operation of the visitor's center this upcoming calendar year.

Mayor Larson said it's still the same \$5000 but staff is requesting a change in the allocation.

In response to a question from Victoria Hedenstrom, Ingham said the modification is to identify \$4000 to the visitor's center. He said the secondary piece is the Wineries without Walls original allocation of \$1500 would be reduced to \$1000 if the Chamber makes that request. Ric said the focus of his memo is to bring the Council up to date on the status of the Chamber. At the last Council meeting, the fate of the Chamber was uncertain, now, the Chamber is looking at operating its office and visitor's center through the end of 2013 but it needs the \$4000 RTMP funds to do that. Ingham said the City is required to submit the work plan to Lane County but Lane County doesn't need to approve it. Ingham said staff needs to make sure that the Council is aware when dollars are moved around and that any modifications meet the criteria outlined by Lane County.

In response to a question from Brittany Boothe, Ingham said Chamber President Gina Haley-Morrell planned to attend tonight's meeting but her father fell ill. Ms. Haley-Morrell wanted to explain the Chamber's new budget and the revenue they need to stay in their office through the end of the year. He said the Chamber specifically needs \$4000 to meet those expenses. He said to ensure the Chamber spends the funds appropriately the City will enter into a contract to specify several things including the number of days the visitor's center will be open for the summer season.

In response to a question from Mayor Larson, Ingham said the City does not have a current contract with the Chamber but the Chamber Board needs a couple more weeks to confirm their lease has been renegotiated. He said when staff is confident the Chamber is in a solid position, staff will bring the contract with more specifics back to the Council for approval.

In response to a question from Victoria Hedenstrom, Ingham said the work plan continues to evolve. Initially the Chamber requested \$2500 for Wineries without Walls and \$2500 to operate the visitor's center. He said generally a Chamber takes on the role of meeting the tourism related functions.

After a brief discussion, it was the consensus of the Council to direct staff to move forward with the changes to the RTMP work plan and work with the Chamber to draft an agreement to operate a visitor's center.

(3) Work Plan Update

Ingham reviewed the work plan, more specifically completing the water certification for Well 9. He said this is a very lengthy process which has never been done. Kyle is working on getting

all those certifications for well 9.

In response to a question from Mayor Larson, Ingham said the University of Oregon Economic Index is used to calculate the economic climate. He said the unemployment rate in Oregon continues to hold that number high. Ric said it may be another decade before we see those numbers back to where they need to be.

In response to a question from Brittany Boothe, Ric said creating a Local Improvement District is a very prescriptive process which usually takes four to five months to complete. Public hearings are required and the notification process needs to be completed before we could even start the bidding process for construction. He said staff hasn't been eager to get the project up and running while the service center and pipeline projects are ongoing.

In response to a question from Brittany Boothe, Ingham the council directive listed in the work plan is a carryover from last year's Council direction to start the City newsletter and get good articles to Michelle Ossowski for the newspaper. He said Mayors Hobart and Larson have done a great job talking with service clubs about City projects and activities.

In response to a question from Victoria Hedenstrom, Ingham said we had a photo contest on the City's website but after a few months it didn't draw much participation. He said a Chamber is usually behind a project like that so they can use the photos as advertisements for tourism promotion.

Mayor Larson said she was impressed with how many projects have been completed.

#### (4) Questions from Councilors

In response to a question from Brittany Boothe, Ingham said the City's section of pipeline runs from the market (the staging area) on West 11<sup>th</sup> to K.R. Nielson Rd. He said EWEB's section starts once the pipeline crosses West 11<sup>th</sup> at Greenhill.

Victoria Hedenstrom said the paving on Perkins Rd. is very wavy and uneven.

Schauer agreed and said he will talk about this issue at the May 13<sup>th</sup> meeting. He said the paving on Hunter and Huston is okay.

In response to a question from Mayor Larson, Ingham said Lane County is pretty good about demanding that a road be brought back to its original condition after any work is done. He said it's pretty clear what the standard is to make the road as it was.

#### 6. OTHER

Workman said email addresses for the Mayor and Councilors are in the process of being created and he explained how they will work. He said as soon as they are available he will email Council members with the new information. He said he will work individually with Council members regarding business cards.

Ingham said last Thursday at the Distinguished Service Awards (DSA) ceremony, the City recognized members of the 50<sup>th</sup> Anniversary committee. He said because Mayor Larson and Councilor Boothe could not attend the ceremony he presented them with a Distinguished Service Award at tonight's meeting. He said other members honored were Charles Ruff of the Oregon Country Fair, Pat Baron, from the Library Foundation and Friends of the Library, and Mindy Sandford and Chris Workman from the City.

After a brief discussion, it was the consensus of the Council to meet on Monday, May 6, 2013 to review

the "If I were Mayor" contest entries. All Council members will be attending. Ingham suggested Mayor Larson talk with Workman about the criteria for judging the entries and staff will notice the meeting as a work session of the City Council.

Brittany Boothe said a fatal traffic accident on Highway 126 was referenced in the Register Guard as taking place in Veneta.

Ingham said that unfortunate accident did not occur in Veneta but that stretch of Highway 126 is often referred to as in Veneta.

Mayor Larson said it was a young father who left behind a wife and two children.

Ingham said the May civic calendar listed the second Council meeting as cancelled. He said if an agenda item comes up, staff will call for a special meeting. He said staff will also bring some water rate items and other business to the first May meeting which will likely have a full agenda.

**7. ADJOURN**

Mayor Larson adjourned the Veneta City Council at 8:50 p.m.



Sandra H. Larson, Mayor

ATTEST:



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