

Minutes of the Veneta City Council

September 9, 2013

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

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; Joan Mariner, Herb Vloedman, and Michelle Ossowski, Fern Ridge Review

1. CALL TO ORDER

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

2. PUBLIC COMMENT

None

3. PUBLIC HEARING –SOLICITATION OF SUPPORT FOR EXPANSION OF FIBER OPTIC NETWORK

a. Mayor Larson opened the Public Hearing at 7:01 p.m.

b. Staff Report –Ric Ingham

Ingham said in order to request funding assistance from the state of Oregon's Infrastructure Authority (IFA) a governing body requesting funds is required to solicit public comments on any proposed project. He said no action is required from the Council and minutes of the public hearing will be provided to IFA upon request. He said the total project cost is estimated at \$42,000. Construction bids have been received with the lowest bid at \$31,214. The City is requesting grant assistance of \$30,000 from the IFA. The project is expected to be completed by mid-October. First Call will hire a minimum of 180 employees in the first 18 months and improvements to the call center will allow for up to 300 employees.

c. Questions from the Council

In response to a question from Thomas Laing, Ingham said the fiber network installed by LCOG consists of fiber conduit containing 36 strands in bundles of 12 strands each. One of the bundles of 12 strands went to the School District and another will go to the shopping center.

In response to a question from Mayor Larson, Ingham said the call center can conduct all of its business off of one strand.

Ingham said having fiber directly to your business is fairly expensive which means a business would need to send and receive a lot of information to justify the cost. He said it's important to medical clinics that send a lot of heavy data files such as imagines, x-rays, etc., but it's not likely any other tenants at the shopping center will want or need their own strand.

In response to a question from Thomas Cotter, Ingham said he would find out what BTOP stood for. He said the BTOP project was funded with stimulus dollars.

d. Public Comment

Joan Mariner, 25712 Cochran Ct., Veneta, OR

Ms. Mariner said she was very excited to hear about the Call Center. She said this is a great opportunity for our community. She said the Call Center is a clean industry and that many jobs should create more shopping and possibly new home buyers.

e. Council Deliberation

None

f. Mayor Larson closed the Public Hearing at 7:10 p.m.

4. CONSENT AGENDA

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

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

The consent agenda as approved included Minutes for August 12, 2013, Accounts Paid through August 1, 2013, Accounts Payable through September 5, 2013, Public Works Activity Report for August 2013, and Wineries without Walls Temporary Liquor License for the Harvest Festival

In response to a question from Thomas Cotter, Hartz said LCOG is paid quarterly for website maintenance and computer services. The payment is disbursed through the operating funds. She said one check is written for multiple items.

Hartz said the accounts paid report is a new format and reflects bills that are paid since the last Council meeting. The second report in this packet is also new. The bills on this report entitled "To Be Paid" have not been paid. Both of these reports provide more information than the one used previously.

Thomas Cotter said he preferred the second report.

In response to a question from Mayor Larson, Hartz said the Council currently receives the "accounts payable" report, meaning what is to be paid; however, sometimes it is unavailable in order to pay timely, especially when meetings are cancelled. She said it doesn't make much sense to provide the "accounts paid" report to the Council after the bills have been paid. Hartz said the purpose of the accounts payable report is to provide the Council with an opportunity to review the report before the bills are actually paid. In the future, the "To Be Paid" report will replace the report "GL Distribution" in the packets.

Ingham said as staff continues to work through the new Springbrook software, they are finding more appropriate reports.

5. COUNCIL BUSINESS AND REPORTS

a. Business

(1) League of Oregon Cities Designation of Voting Delegate

Ingham said this form relates to who will vote on behalf of the City at the League of Oregon Cities (LOC) Business meeting held during the LOC conference. Ingham said Thomas Laing, Mayor Larson, Victoria Hedenstrom, Brittany Boothe, Workman and he will be attending the conference.

Thomas Cotter said he assumed the Mayor would be the voting delegate for the City of Veneta.

Mayor Larson said an alternate delegate should be appointed.
Thomas Cotter nominated Brittany Boothe as the alternative voting delegate.

It was the consensus of the Council that Brittany Boothe will be the alternative voting delegate.

(2) Council Goal Setting Session - Preparation Materials

Workman said the Council Goal Setting Session is scheduled for October 12, 2013. He said he and Hartz created an "Issue Identification Form". This form is to be filled out for each item Council members believe is a concern or issue for the City. He asked that each Councilor fill out five to ten forms. He can provide more if necessary and will also email the form as a fillable pdf file. He said after all the forms are completed and returned, he and Hartz will compile the data for the goal setting session. He said if Council members have any questions please contact either himself or Hartz.

Hartz asked Council members to complete the form and bring them to the September 23rd meeting.

Ingham said because there is a lot of material to cover, he suggested having a pre-meeting on Friday, October 11th to go over the background information so they can spend all of Saturday developing the goals.

After a brief discussion it was the consensus of the Council to meet at 5:00 p.m. on Friday, October 11th. However, if it looked like two or more Councilors could not make that time, the meeting would be rescheduled.

Brittany Boothe complimented staff on the form and instructions. She said this is a great way to gather information from the Council but asked if the Council should consider using a similar form to solicit information from the community and if so, is it too late to do that before the October 12th goal setting session.

Ingham said a community survey could be added to the Goal Setting Session but staff would need more lead time to do appropriate outreach.

Brittany Boothe suggested if the Council agreed to a community survey it could be added to the work plan in January.

(3) Planning Report

Bork reviewed the Planning Report Summary of all City planning activity from January 2013 to June 30th. She said under current planning activity the most significant documents amended were the Land Development and Land Division ordinances adopted in March 2013. She said 26 single family building permits have been issued in 2013 which is the highest number of permits issued in a calendar year since 2008. Bork said she has received many inquires about Hayden Homes continuing phases. She said staff provided the Planning Commission with a two to three year work plan to update the Comprehensive Plan Update. Currently the Planning Commission is reviewing the buildable lands inventory which required staff to inventory all residential lands within the Urban Growth Boundary (UGB) to determine if the City has adequate buildable inventory to see us to 2030. She said the Planning Commission will be finalizing those documents and bring them to Council in a work session.

In response to questions from Mayor Larson, Bork said the formula for determining the inventory is basically a supply and demand analysis. She said the demand formula converts our population numbers into dwelling units. Once the residential lands are inventoried the Planning Commission will be discussing how to calculate our commercial inventory. When the time comes, staff would like to solicit feedback from other business owners in the community. Bork said inventorying the City's commercial lands and identifying needs will be a much more intensive process. The project will likely take two years to complete.

In response to a question from Thomas Laing, Bork said the UGB is about 1300 acres but not all of that is buildable land. In order to determine what is buildable, the amount of unbuildable

and constrained land is subtracted (wetlands, sloped) so what's left over would be our buildable lands inventory.

b. Councilor/Committee Liaison Reports

Brittany Boothe provided a quick review of the September 4th Park Board meeting. She said the Park Board continues to receive positive feedback from residents about the Flick 'N Float event. She said the Park Board will have a booth at the Harvest Festival on the 14th and the Park Board still has a vacant resident position.

Victoria Hedenstrom said the Fern Ridge Chamber of Commerce reviewed some advertising options for member businesses at its last meeting. She said a new tasting coordinator, Deanna Brandt, has been hired and is interested in purchasing Wineries without Walls. The Chamber is working on hosting a Labor Day event and will enter the chili cook-off at the Harvest Festival. She said the next Board meeting is tomorrow, September 10th at 4:00 p.m. and the Chamber luncheon is at 12:00 on the 11th.

Mayor Larson said she attended a School Board work session meeting last night. The Board discussed revising its policies in an attempt to improve communication with parents and the community. As an example, changing language like "interrogation" to "interview" and they are asking for input from parents. The Board will also be revamping the school district's website and she said the school year is off to a good start – Veneta has three kindergarten classes. She attended the celebration of the Coos Bay Rail Link and the completion of a \$31 million renovation. As part of the celebration guests rode the train for a section of the route to the coast. She said there hasn't been a passenger train to the coast since 1952. The passenger service died off and is not in their plans for the future. She said the 130 mile route from Eugene to Coos Bay travels through 100 tunnels. Mayor Larson also toured the City with the Historical committee that was formed consisting of Pat Baron from the Library, Rick Gedeon, president of Applegate Pioneer Museum, and Victoria Hedenstrom. She said they found the location of the rail station and of several historical homes. She said there really isn't much left but the committee would like to identify the original locations of many of the structures. Mayor Larson said the committee also discussed Mr. Hunter's posters and creating some kind of a walking tour brochure. She suggested these ideas could be discussed at the Council Retreat. She said the committee will meet in October after the pipeline dedication.

6. STAFF REPORTS

a. Public Works Director..... Kyle Schauer

(1) Legal Counsel Analysis for Acquiring Hunter Ave. Easement (Confidential) Legal Counsel Opinion

Schauer said staff has acquired easements from all the property owners except one. He said staff has not been able to secure an easement for a 70 ft. stretch of the new sidewalk. The property is in foreclosure and currently resides with Fannie Mae's legal department.

Ingham said we secured a \$50,000 Special City Allotment grant over 18 months ago to assist with the project costs. He said as long as this grant stays open we aren't eligible to apply for other grant funds. Also, we're closing in on the end of this construction season. He said this one easement is holding up the entire project so staff sought legal opinion on how to move forward. Legal counsel provided three options; 1) Initiate a condemnation process which can be started at any time during construction; 2) Install the sidewalk without the easement or formal permission. If a new sidewalk would not devalue the property the argument can be made that the City has not "taken" anything from the owner but rather added value to the property; and 3) Enlist legal counsel to attempt to locate the owner or owner's agent. Staff is recommending the City move forward with legal counsel's option 2, to proceed with the project without the easement. He said making a major improvement to

the property with sidewalks, driveway, etc., will add several thousand dollars of improvements to the property. Also, we need to move forward now or wait until next spring or summer to start the project.

In response to a question from Victoria Hedenstrom, Ingham said we can't close out the Special City Allotment grant until the project is completed.

In response to a question from Thomas Laing, Schauer said this will be a huge improvement to the property and we only need six inches of property to build the sidewalk.

After a thorough discussion, it was the consensus of the Council to direct staff to move forward with option 2 provided by legal counsel.

In response to a question from Brittany Boothe, Schauer said the \$50,000 Special City Allotment grant we received from the Oregon Dept. of Transportation (ODOT) covered the majority of the sidewalk improvements. He said because we were awarded those grant funds, the project costs were not passed on to the property owners. The sidewalks will provide a safe pedestrian route to and from Veneta Elementary and Territorial Park.

MOTION: Thomas Cotter made a motion to direct staff to follow Option 2 of legal counsel's letter date August 22, 2013; to install the sidewalk without an easement or formal permission from the property owner. Thomas seconded the motion which passed with a vote of 5-0.

(2) Award of Contract for Hunter Ave. Sidewalk Improvements

Schauer said this project went out for bid and two bids were submitted. Babb Construction Co. came in at \$68,650 and Brown Contracting submitted a bid for \$59,484. However, Branch Engineering found an accounting error of \$90 in Brown's bid which brought the bid down to \$59,394. Branch Engineering is recommending the contract be awarded to Brown Contracting.

In response to a question from Mayor Larson, Schauer said the overlay portion of the project has already been completed. He said the remaining \$90,000 has been budgeted to cover the cost of the sidewalk installation.

Ingham said we were awarded the Special City Allotment grant funds in January 2012, which means we've had the grant for 18 months.

MOTION: Thomas Cotter made a motion to authorize staff to enter into a contract with Brown Contracting Inc. for the sum of \$59,394 to construct sidewalks on Hunter Ave. Brittany Boothe seconded the motion which passed with a vote of 5-0.

b. City Administrator.....Ric Ingham

- (1) Submittal of Special Public Works Fund Application for Funding of Fiber Optics Lateral
Ingham provided a memo specifying a source of funds to assist with paying for installation of the fiber lateral mentioned in the public hearing. Staff is seeking authorization to submit a grant application to the state of Oregon's Infrastructure Finance Authority (IFA). Specifically, the City will be requesting \$30,000 from the Special Public Works Fund to allow for the construction and installation of the fiber lateral for the start-up of the call center in the West Lane Shopping Center. He said the total project cost is \$42,000 and the \$12,000 required match will be split between Lane County's Economic Development Fund and the City. The City's match will come from the Economic Development line item in this year's general fund budget. As mentioned in the memo, a supplemental budget may be

required to complete the project. Because the City was seeking only grant funds, IFA issued the City a waiver allowing us to forego submitting the last three audits, our budget, or our last 10 largest property tax funders. He said there's no guaranty we will receive these funds but because IFA doesn't see many job creating applications they are excited about this application and playing a part in rural job creation. Staff is also feeling very optimistic. He said because this is a business recruitment effort, we want to spend the money in the next 30 days but IFA can take up to 30 days to make the award and possibly longer to develop the contract, so we've requested in the application that we be honored a pre-award amount for the entire construction costs and if awarded, all funds will be applied to construction costs.

MOTION: Thomas Cotter made a motion authorizing the City Administrator to submit the Special Public Works Fund application and obligating the City to \$12,000 for the needed cash match. Thomas Laing seconded the motion which passed with a vote of 5-0.

(2) Award of Contract for Fiber Optics Construction

Ingham said in order to get this project up and running, the City started the procurement process; quotes were collected the week of August 9th, the pre-bid process was completed on August 15th, and bids were reviewed on August 23rd. He said the lowest bid of \$31,214 was received from AB Utility Contractors of Harrisburg. Upon Council's approval, the City would like to enter into a contract with AB Utility Contractors. He said construction should be completed by mid-October.

MOTION: Thomas Cotter made a motion authorizing the City Administrator to enter into an agreement with AB Utility Contractors for construction of the fiber optic extension. Brittany Boothe seconded the motion which passed with a vote of 5-0.

(3) Pipeline Pre-Closing Financials & Project Update

Ingham reviewed the updated materials and activities that staff has been working through in order to meet RD's 95% completion by October 1st. He said this project is about six months ahead of schedule which can be attributed to weather, engineers, but mostly the contractor. He said back in June staff had a good sense that interest rates would be increasing. By locking in this quarter, the rate will be 2.75%; had we not been pre-locked into the 3.25% rate, the rate could have increased to 4.6%. Ingham referred to the spreadsheet that shows the calculations supporting the 95% complete determination and demonstrated to RD that we had minimal amount of work to be completed. He said this sheet was sent off to bond counsel and RD last Friday. Based on that spreadsheet, RD authorized us to close out the project and issued a new letter of intent and conditions. Both resolutions have been updated since the packet went out. He provided copies to the Council with the track changes in color.

Ingham said Council's approval of Resolutions 1132 and 1133 will allow bond counsel Hawkins, Delafield & Wood to draft the necessary closing documents with RD and proceed with issuance of the bond sales. He said all along RD has required that the close-out phase begin three weeks prior to when we actually close. He said we really cut it close, but the resolutions and the letter of intent were finalized today for Mayor Larson's signature and all other closing documents will be signed on Friday, September 13th. At that point, bond counsel will secure the bonds in a week to ten days, then all documents will go to RD for signing on or about September 20th for close out by September 30th.

In response to a question from Mayor Larson, Ingham said RD very much wanted to see us get in on the 2.75% interest rate which is reflected in both bonds. He said Mayor Larson

signing the Letter of Intent to Meet Conditions will lock us into that interest rate.

MOTION: Thomas Cotter made a motion to direct Mayor Larson to sign the Letter of Intent to Meet Conditions for USDA Rural Development. Victoria Hedenstrom seconded the motion which passed with a vote of 5-0.

- (4) Issuance and Sale of Revenue Bonds for Financing of Water Pipeline Project
- a. **Resolution No. 1132** - A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF VENETA, LANE COUNTY, OREGON REVENUE INSTALLMENT WATER BOND NO. 1, IN THE PRINCIPAL SUM OF \$7,033,000, TO THE U.S. OF AMERICA ACTING BY AND THROUGH THE U.S. DEPT. OF AGRICULTURE FOR THE PURPOSE OF PROVIDING A PORTION OF THE COSTS OF IMPROVEMENTS TO A WATER SYSTEM WITHIN AND WITHOUT THE BOUNDARIES OF THE CITY OF VENETA, LANE COUNTY, OREGON; PROVIDING FOR THE FORM AND TERMS OF SAID BOND, AUTHORIZING THE PAYMENT OF SAME AND DECLARING AN EMERGENCY.

MOTION: Thomas Cotter made a motion to approve Resolution No. 1132 and 1133 authorizing the issuance of water revenue bonds for the purpose of paying for the water pipeline project. Thomas Laing seconded the motion.

Ingham requested Thomas Cotter make two separate motions to approve Resolutions 1132 and 1133.

MOTION: Thomas Cotter withdrew his motion.

MOTION: Thomas Cotter made a motion to approve Resolution No. 1132 authorizing the issuance of Water Revenue Bonds for the purpose of paying for the water pipeline project. Thomas Laing seconded the motion which passed with a vote of 5-0.

- b. **Resolution No. 1133** - A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF VENETA, LANE COUNTY, OREGON REVENUE INSTALLMENT WATER BOND NO. 2, IN THE PRINCIPAL SUM OF \$3,346,269 TO THE U.S. OF AMERICA ACTING BY AND THROUGH THE U.S. DEPT. OF AGRICULTURE FOR THE PURPOSE OF PROVIDING A PORTION OF THE COSTS OF IMPROVEMENTS TO A WATER SYSTEM WITHIN AND WITHOUT THE BOUNDARIES OF THE CITY OF VENETA, LANE COUNTY, OREGON; PROVIDING FOR THE FORM AND TERMS OF SAID BOND, AUTHORIZING THE PAYMENT OF SAME AND DECLARING AN EMERGENCY.

MOTION: Thomas Cotter made a motion to approve Resolution No. 1133 authorizing the issuance of Water Revenue Bonds for the purpose of paying for the water pipeline project. Thomas Laing seconded the motion which passed with a vote of 5-0.

MOTION: Thomas Cotter made a motion to authorize Mayor Larson and City Administrator Ingham to review and approve the necessary closing documents in order to complete the issuance of the water revenue bonds. Thomas Laing seconded the motion which passed with a vote of 5-0.

Ingham said Schauer has worked with the contractors and the engineers and Hartz has been working on the spreadsheet for well over two weeks. He said it was difficult to get the engineer and contractor to pinpoint an exact amount to finish out the project. He said it was

a monumental task to get a final project amount of \$10,441,388, and more importantly, the performance measure reports that Hartz had to finalize to get us to that point. Ingham said the original total project cost was \$16.6 million but the actual project costs came in at \$10.4 million.

In response to a question from Mayor Larson, Ingham said had we not been able to lock in the 2.75% interest rate the difference in interest calculated out to be well over \$880,000 for the life of the loan.

(5) Questions from Councilors

Victoria Hedenstrom said she appreciated the monthly activity report Schauer provides and she commended the public works crew for all that they accomplish every month.

In response to a question from Thomas Cotter, Ingham said two young men have been arrested and received several citations in connection with the tagging that occurred a few weeks ago. He said however, because they are both minors, the case has been referred to the Lane County District Attorney's office. Ingham said because of the public safety crisis Lane County is experiencing, minors are not prosecuted. He said our deputies are very familiar with these two young men. He said it's also looking like they were also responsible for the tire slashing last spring. The DA's office is looking into requiring the two pay restitution for all costs associated with that incident. Ingham said the two recruited several other area youth into a gang of six to eight.

In response to a question from Mayor Larson, Ingham said half of the boys responsible for the vandalism live in the Fern Ridge area.

In response to a question from Victoria Hedenstrom, Ingham said years ago the School District had a resource officer to help with some of those issues, but because of budget cuts, the School District eliminated that position.

Mayor Larson said she received a letter from a resident concerned about slash piles that were left at a logging site on E. Bolton.

Bork said she also received the same letter and will contact Mr. Demers to discuss his plan for the slash piles. She said if the slash piles are deemed a nuisance, he will be required to remove them. He may be waiting until the fire danger has passed and has plans to burn the slash piles.

7. OTHER

Ingham said the formal dedication of the Fern Ridge Service Center will be Friday, September 13th at 10:30 a.m. and the ribbon cutting and open house will be Saturday, the 14th at 10:30 a.m. in conjunction with the Harvest Festival. He said the time capsule will be buried at 11:00 a.m. on Saturday. He hoped all Council members will be able to attend both events.

Ingham said the pool closed at the end of August and Workman has been running a comprehensive report of the season. He said again, it was no surprise that the last two weeks the pool was open there were very few kids using the pool.

Workman reminded Council members to please complete several Issue Identification Forms for the October 12th Goal setting session. He said he will also send out an email with the form as a fillable pdf.

In response to a question from Mayor Larson, Ingham said the Issue Identification Forms are geared not to be project specific but to address broader issues. He said depending on the feedback, we

can roll multiple issues into one goal so specific activities can be identified. Once the issues are compiled, staff will address budget and regulatory issues. He said the more focused we are on specific activities, the harder it will be move through those filters. Ingham said the goal setting session is to identify goals as opposed to listing new activities in the work plan.

Hartz said once a matrix is created, the discussion will be about all those specific issues and what kind of outcome the Council wants to see as well as what activities staff can do to get those goals met.

On another note, Workman said staff's Outlook exchange server will be set up next weekend. He would like to contact Councilors over the next week to review their accounts. He said at that point LCOG will be setting up Council mailboxes. He said moving to the exchange will allow staff and Council members to access email from any source.

Ingham said Mayor Larson, Brittany Boothe, Thomas Laing, Victoria Hedenstrom, Workman, and he will all be attending the League of Oregon Cities (LOC) conference in Portland at the end of the month. He said all rooms have been reserved for Wednesday through Saturday, September 25th through the 28th. He said staff will provide all Council members with the mileage/expense reimbursement form and will also be available to answer any questions regarding the reimbursement process and policies.

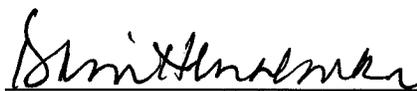
Ingham said the City of Florence is working on scheduling a joint dinner on Thursday, September 26th with its elected officials and staff and Veneta elected officials and staff.

8. ADJOURN

Mayor Larson adjourned the Veneta City Council at 8 52 p.m.


Sandra H. Larson, Mayor

ATTEST:


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