

Minutes of the Veneta City Council

March 10, 2014

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

Others: Ric Ingham, City Administrator; Kay Bork, Community Development Director; Kyle Schauer, Public Works Director; Chris Workman, City Recorder/Human Resources and Risk Management Administrator; Darci Henneman, Assistant City Recorder; Michael Foster, Susan Kellogg, Carrie Connelly and Lauren Sommers, Legal Counsel; 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. 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 February 24, 2014 Work Session, February 24, 2014, Accounts Payable through March 6, 2014, and Public Works Activity Report for February, 2014.

Mayor Larson said because legal counsels Connelly and Sommers were attending tonight's meeting the agenda will be amended to accommodate their schedule. Mayor Larson indicated the medical marijuana dispensary agenda item will be the first staff report to be discussed.

4. COUNCIL BUSINESS AND REPORTS

a. Business

(1) Request from Valley United Methodist Church (VUMC)

In response to a question from Thomas Cotter, Ingham said he was unaware of a past precedence that would prohibit the City from making a donation to a church. He said the church is much like any other community partner that we support. He said the City Charter, state statutes or administrative rules do not preclude the City from making a donation to a church. He said this is strictly a Council policy issue.

Mayor Larson clarified to the gallery that VUMC is asking for a donation of \$50 per night to help support its warm shelter policy for the homeless residents in the area.

In response to a question from Britany Boothe, Mr. Foster said he's not sure what the individual costs are but the church is normally not used at night so there are associated electrical costs, food, water, etc.

Ingham said the church facilities are not normally open those hours plus it's the coldest part of the winter. He said when the Egan Warming Center was operated through our Community Center, we averaged six to nine nights annually and this year VUMC was open eight nights. He said the City clearly spent \$50 per night in utility costs to run the warming center out of the Community Center.

Susan Kellogg said she is the Community Emergency Response Team (CERT) coordinator. She said the Egan Warming Center supplies were turned over to her which are stored at VUMC. She said if there is a concern about giving funds directly to the church, the reimbursements could go directly to the CERT fund.

In response to a question from Mayor Larson, Ms. Kellogg said VUMC provides the building and it seems to have a homier feel for the homeless. She said the warming center is much more successful at the church than it was at the Community Center.

In response to a question from Thomas Laing, Michael Foster said six to 13 homeless people come to the church per night. He said 10 volunteers help out on a 24 hour basis. He said if they run out of food or supplies, it's not uncommon for volunteers to go to the store and make purchases with their own money.

In response to a question from Victoria Hedenstrom, Ingham said staff believes there is not a precedence to not donate to churches.

Thomas Cotter said it's discomfoting to him to mix church and state practices and he just wants to make sure there isn't a conflict of interest in making this contribution directly to VUMC.

In response to a question from Mayor Larson, Ms. Kellogg said dogs are allowed in the church with their owners.

Mr. Foster said essentially they ask people to be safe, be responsible and be respectful. He said the dogs are their best friends and it's not a problem for church volunteers. He said VUMC's mission statement is "to reach out to all in need".

Ingham said this will be for next year and ideally should be approved at a not to exceed amount. He said as the letter stated, VUMC will invoice the City at the end of the warming season for a specific number of nights.

MOTION: Thomas Cotter made a motion to approve a donation from the FY 2014/15 Council Discretionary funds to Valley United Methodist Church in an amount not to exceed \$500 to assist with costs for the Warming Center. Victoria Hedenstrom seconded the motion which passed with a vote of 5-0.

(2) Request from United Way of Lane County to waive the Community Center Rental Fee

In response to a question from Mayor Larson, Ingham said Mid Lane Cares was not informed of the letter. He said staff could provide the Council with additional information if needed but United Way of Lane County is beneficial to many communities.

Brittany Boothe said it was a worthy cause and sees no problem with approving the request.

Victoria Hedenstrom suggested a member of the Council attend the meeting because it would benefit the City to be involved in what they're doing and have some City representation at the meeting.

Ingham said staff wouldn't make it an official City event. He said we haven't been too active with United Way. He said his sense is that they are collecting information for their next five year plan or action plan.

MOTION: Thomas Cotter made a motion to approve waiving the Community Center rental fee for United Way of Lane County for one and half hours. Victoria Hedenstrom seconded the motion which passed with a vote of 5-0.

b. Councilor/Committee Liaison Reports

Thomas Cotter said he attended the LCOG meeting and toured Churchill High School's Science, Technology, Engineering and Mathematics (STEM) center. He said the facility was funded by Oregon's Career and Technical Education Revitalization Grant Fund. He said he was surprised to see that class sizes are so large – the physics class had 45 students in one class. He said the April LCOG meeting will be held at the Fern Ridge Library. He said he's like to see the City host a LCOG meeting but he's not sure what the schedule is. He said the library does a good job.

Brittany Boothe said at the March 5th Park Board meeting members discussed the upcoming Earth Day and Easter Egg Hunt. Volunteers are needed and welcome for both events. The Park Board is also excited to assist with two summer events at the pool; a Solstice night in June and a family night in August. She said Bork provided the Board with information about an arborist that approached the City interested in evaluating and conducting an inventory of trees in the City's parks. The arborist would then provide information about replacing or planting new trees in all parks. Councilor Boothe said any planting or replacement of trees would fulfill the Tree City USA criteria. She said as the Council liaison to the Park Board, this event would be beautifying City parks and it seems like a good fit.

Victoria Hedenstrom will be attending the Chamber Board meeting tomorrow.

Mayor Larson said the School Board is interviewing candidates for the superintendent vacancy but it's unknown how many applications the school district received or from whom.

5. STAFF REPORTS

- a. Community Development Director.....Kay Bork
(1) Medical Marijuana Dispensaries

Bork introduced legal counsel Carrie Connelly and Lauren Sommers. She said staff is providing the most recent legislative information on medical marijuana dispensaries. She referred to the map of Veneta that indicates where dispensaries can and cannot be located within City limits based on rules and regulations of the Oregon Health Authority (OHA). Staff is requesting Council direction on policy or regulations in relation to locating dispensaries within City limits. Bork also provided some background information and reviewed House Bill (HB) 3460. Legal Counselors Connelly and Sommers attended tonight's meeting to answer any Councilors' questions.

Bork referred to the map of Veneta and said the black circles identify the buffers around schools. She said areas inside the green circles indicate where a dispensary has shown interest in locating (the West Lane Shopping Center). Bork said since the packet went out, HB 1531 has been amended again and it finally passed. As the bill stands, it gives cities and counties the authority to impose reasonable time, place, and manner regulations on medical marijuana dispensaries and allows cities and counties to impose a temporary moratorium on dispensaries in their jurisdictions. She said reasonable limitations mean limitation of hours of operation, location must be in industrial or mixed use zone, and a reasonable manner of dispensing. She said if a city chose to enact a moratorium the filing deadline is May 1, 2014 with an expiration date of May 1, 2015.

In response to a question from Mayor Larson, Bork said some cities are relying on their business registration criteria that includes compliance language stating businesses must comply with local,

state, or federal laws. She said because dispensaries do not comply with federal law, a dispensary cannot be granted a business license and therefore cannot operate in that city.

Victoria Hedenstrom said she felt it would be irresponsible to make any recommendation other than what the law states. She's leaning toward a moratorium but suggested holding one or more work sessions to assist the Council to make a more informative decision. She said there's so much she doesn't know and would like more information to educate herself on this subject.

In response to a question from Thomas Laing, Ms. Sommers said the only revenue dispensaries will bring to the City is through a business license. She said if under SB 1531, a separate business license fee specifically tailored for dispensaries is allowed, it would involve more details. As far as other types of income, she's not aware of other cities implementing fee systems outside of a business license fee but it may be a possibility.

Ms. Connelly said it's likely in the next year, all of this will be more developed and will include test cases. She said she and Ms. Sommers are here to answer any questions. She said Ms. Sommers is the firm specialist. She said there's a lot of information out there but it's changing daily.

In response to a question from Mayor Larson, Ms. Sommers said starting March 3rd dispensaries will be allowed. She said there was a lot of confusion whether cities and counties had authority to regulate dispensaries but in the last legislative session, Senate Bill 1531 was put together and explicitly states that cities and counties do have authority to regulate dispensaries. The final product is a bill that gives cities and counties regulation authority in certain areas, hours of operation, business licenses, specific land use regulations, setbacks, etc. but it's very clear that any moratorium would be temporary for one year. Sommers said she expects lawsuits will be popping up. For now we know cities can rely on Senate Bill 1531 to enact a legal one year temporary moratorium on medical marijuana dispensaries.

Ms. Connelly said if a moratorium is desired, it needs to be adopted through an ordinance before May 1, 2014. Once the Council has adopted the ordinance by emergency, it's filed with the Oregon Health Authority (OHA).

Ingham asked legal counsel to provide all the criteria associated with the OHA application. Ms. Sommers said she will provide the Council with that information.

Ingham said one criteria from OHA is a letter from the City stating all zoning regulations, etc. have been met.

In response to a question from Mayor Larson, Ms. Sommers said SB 1531 speaks directly to Mayor Larson's question. She said being a lawfully registered dispensary with OHA, criminal laws (possession and transfer of marijuana) don't apply to the dispensary and they get a pass. However, the bill states if the City adopts a moratorium, the dispensaries don't get that pass even if it is registered with the OHA, despite being registered for the duration of the moratorium the dispensary cannot operate because the criminal laws would apply. The dispensary would need to surrender its license back to OHA and they would receive their registration fee back.

In response to a question from Ingham, Ms. Connelly said she didn't think the City would have any liability at this point but the City may feel some policy responsibilities. She said because the bill is in flux, the City wouldn't know what it could and couldn't do. She said legal could research this area but off the cuff she wouldn't be too concerned about liability.

Ms. Sommers said if the City knows there's a dispensary interested in operating in the City, it wouldn't be a bad idea to contact that person and let them know the City is reviewing the idea of

passing a moratorium.

In response to a question from Thomas Cotter, Ms. Sommers said the statute is 28 pages of Administrative Rules and were not included in the Council packet. She said this covers the application fees, different requirements, security, contamination, etc. She said it's very specific and very thorough. She can provide a copy of the rules to staff to pass on to Councilors.

In response to questions from Victoria Hedenstrom, Ms. Sommers said only employees of the dispensary with a marijuana card may be allowed to smoke marijuana in or on the grounds of a facility. She said there are ventilation requirements in the Administrative Rules but she's not sure of the specifics. She said in Oregon a dispensary cannot locate in a residential area. She said legal counsel could draft the ordinance to expire in one year or when Council decides otherwise whichever is first.

In response to a question from Thomas Cotter, Ms. Sommers said the cost to draft an ordinance to impose a moratorium is relatively inexpensive. She said if the Council decides to amend the City's Land Use Code, it would cost significantly more.

In response to a question from Victoria Hedenstrom, Ingham said staff will provide more information if directed by the Council to do so. He said the information changes daily. He said we should talk about the work plan and get it through the Planning Commission and hold the public hearings once the Council has decided how they want to move forward. He said if we want good policy guidelines, it could be a long process.

Mayor Larson said it's important the Council understands what is already regulated and what's not.

In response to a question from Mayor Larson, Ms. Sommers said SB 1531 states cities can adopt regulations including limitations of where the facility can be located within the commercial, industrial, or mixed used zones. She said in the statutes, some may argue that a facility can locate in any of those zones – we can't stop it from locating in a mixed use zone just where in that zone. She felt there's a reasonable argument to be made that Veneta has the authority to do its own thing and depending on how strongly you feel about those regulations, the Council may want to give it a go. However, there may be some resistance to that from the dispensary advocates. She said it's a policy call for the City and she suggested the Council think about things important to the City and the degree of risk we want to be involved at.

Ms. Connelly said we could change references and take out "mixed use" and the kinds of commercial uses that are referenced now. She said we may be able to change the mixed use definition.

In response to a question from Thomas Laing, Ms. Sommers said OHA enforces its own regulations relating to the registration of all facilities. If a facility isn't registered or loses its license, then it's conducting criminal activity and the police department would enforce it. If it's a City code violation, the City would enforce it. She said it depends on what the violation is.

Victoria Hedenstrom said we should have a moratorium.

Ingham asked the Council if it is leaning toward having additional restrictions in place.

Brittany Boothe said she doesn't know how to answer that question without additional information.

Victoria Hedenstrom said she needs more than five days to review all the material and she would like to receive more information. She said she has a responsibility to the community as well as

herself and she doesn't feel she can make an educated decision with the information she currently has.

Thomas Cotter said we're talking about people's medicine and the fear of marijuana.

In response to questions from Brittany Boothe, Ms. Sommers said we don't know how long it's going to take OHA to review all the applications. They have about four staff people and it's a lengthy process to review the very long application which includes several required background checks. She said the turnaround for OHA is about four to six weeks. She said if someone was granted a permit before May 1st the moratorium would be effective and the dispensary would be prohibited from opening or if they open, even if they're up and running they would still need to cease and desist. If they don't, they would be committing a criminal act. Ms. Sommers said if someone submits a land use application, it's processed under the code at the time. If the code is later amended, it stays under that original code. She said for things like police regulations or hours of operations we could later decide to impose a dispensary business license and it would affect all dispensaries but it would depend on the type of regulation.

Ms. Connelly said no one anticipates a floodgate of applicants in Veneta. With or without a moratorium, dispensaries could locate and begin conducting business and the Council could still take its time to consider what regulations we want to adopt. She said she could amend the business license code quickly and Ms. Sommers has already drafted some new language. She said then the Council would have time to rethink any amendments to the land development ordinance which could take four to five months.

Ingham said the extreme scenario is a dispensary being grandfathered in. He said as an example, if a dispensary locates just to the south of the Skateboard Park and 1000 feet outside of the school exclusion zone prior to a moratorium being placed, then amendments are made to the land development ordinance, the City would not be allowed to push them out.

Brittany Boothe said it makes her nervous and felt more discussion is needed. If anything, she felt a moratorium should be in place.

Bork said Ingham has scheduled Ms. Connelly to attend the March 24th Council meeting for more discussion.

In response to a question from Victoria Hedenstrom, Ingham said it's important that the Council get their questions to staff as soon as possible. He said if the Council wants a work session, we need as many likely questions prior to the work session. He said the "what if" questions are tough to answer because this is all new and changes daily.

The Council reviewed the options provided in Bork's memo.

In response to a question from Mayor Larson, Ms. Sommers said currently we could rely on the language in the City's business registration code. She said it would be cleaner and less risky to adopt the moratorium if we think after the moratorium we're interested in allowing dispensaries. She said we should also consider amending the business registration code so the language wouldn't conflict with the moratorium. She said it would be a pretty easy fix.

Ingham said staff always assumed that if there was a moratorium, we would update that business registration language so we wouldn't find ourselves violating federal law.

Ingham said at this point, staff would like some general direction. He said the Council could support a moratorium or direct staff to bring information to a work session. Based on that, the Council could decide to enter into a moratorium; change the City's land development ordinance; and direct legal to amend the business registration language to comply with federal law.

Brittany Boothe said she would be in favor of a moratorium to give us as much time as possible to educate the Council on the matter and continue to receive information as it comes.

In response to a question from Thomas Laing, Ms. Connelly said legal could have the moratorium ordinance at the next Council meeting.

Thomas Cotter said we're over regulated as it is. He said he doesn't think it's fair to punish businesses that are trying to provide a service to a community. He said we shouldn't be prohibiting people from doing that and if someone wants to open a dispensary, make them follow the rules, if they break the rules, then revoke their license.

Victoria Hedenstrom said she wants to hear what Councilors think and it's not that she wants more regulation, she just wants to make an educated decision and be assured she's heard every angle.

Mayor Larson agreed with every point, but she felt a moratorium would make sense.

Ingham clarified that the Council directed staff to have legal draft the moratorium ordinance to include some new zoning or code language or at least placement of those regulations. He said a work session would be scheduled for March 24th prior to the regular Council meeting and by the end of next week, Councilors should have any questions to staff so staff has enough time to obtain answers from legal prior to the Work Session on the 24th. He said we wouldn't discuss future land use regulations at that time.

Bork said the 28 pages of Administrative Rules could be provided to the Council as soon as possible for discussion at the Work session on the 24th.

Ingham said legal counsel works for many cities and when materials are available, they will be provided to staff to pass on to Council members.

Ingham said because he and Mayor Larson will not be attending the second meeting in April the Mayor will likely cancel it. He said the Ordinance will likely be presented for first and second reading and approved by emergency at the March 24th regular Council meeting.

b. Finance Director..... Shauna Hartz
(1) Final Report for Water Rate Study

Hartz said many things in the report have already been discussed but this is a final wrap up of the decisions made and more importantly the assumptions that were used in the model. Staff will keep tabs on those assumptions, growth rate, etc. A lot of things we still don't know but staff will be watching. When the last resolution was passed, the summary showed a 3% increase in 2015 and a 2% increase thereafter. She said that can change because the Council is not obligated to those increases. Having said that Hartz reviewed her report.

In response to a question from Thomas Cotter, Schauer said the EWEB water purchase was based on a minimum of 72,000 gallons per day or 6,000,000 gallons per month.

In response to a question from Victoria Hedenstrom, Hartz said at the current levels, our water rate revenues are adequate and had we not done those rate increases we wouldn't have the needed revenue.

Ingham said over the last couple of months, staff got through the pipeline project and the final rate analysis. Now we have a much better idea of what our revenue to expenses are. He said at this point, staff would like to look at whether our residential and commercial rates

are as conducive as we would like them to be to encourage business development. He said unfortunately, if expenses stay the same and if we start lowering commercial costs, someone else's cost will increase. We need to find a balance. He said a rate analysis was done in 2006 and it looked specifically at residential versus commercial rates and the outcome showed that residential accounts were carrying a proportionally higher burden for overall water costs. He said once again, we'd like to pull down the commercial rates without giving additional burden to the residential rates. That's the challenge that we'll have.

In response to a question from Thomas Laing, Ingham said that's why these rate studies get so complicated. He said the system that Schauer maintains needs to operate from a larger capacity standpoint to meet a commercial need versus a residential need. So how do we make sure the correct amount of proportional costs is carried by those commercial entities?

Ingham said part of the discussion in 2006/07 was consideration of a meter based approach to commercial water rates, how big is the meter, what's the flow through that meter and that often dictates the cost per 1000 gallons of water on how large of pipe we need to construct and deliver water through. He said because we have a limited number of commercial accounts, the City chose to stay with more of a flow rate as oppose to meter size.

Schauer said it's all about capacity and the ability to deliver. He said a commercial account is charged for its usage and volume based on capacity and how the water is delivered. He said whatever we say we can deliver we have to deliver. He said with a commercial entity sometimes they require large volumes of water. He said that's why we design our systems for what it can potentially deliver. He said the question comes down to who pays for that capacity as we go through the process.

Brittany Boothe said currently the larger portion of that burden leans towards residential accounts.

Ingham said it's somewhat weighted toward residential accounts and that was the direction the Council chose to go during that particular rate study.

Mayor Larson said she remembered when Mr. Vloedman brought that up and it made a lot of sense. She said at some point we should certainly look into that.

Ingham said staff would like to get through the first budget cycle with the pipeline. He said staff has heard from the Council that economic development is important but we can't subsidize the commercial at the cost of increasing the residential.

In response to questions from Brittany Boothe, Hartz said water bill received in February is for January's usage. She said the water billing template can be altered somewhat and she suggested in the future a "how to read your bill" or a tutorial could be included in the bills. Hartz said she will review the current new resident handout to see if it can be modified to send to all residents.

c. City Recorder/HR & RM Administrator..... Chris Workman

(1) Resolution No. 1140 – A RESOLUTION EXTENDING WORKERS' COMPENSATION COVERAGE TO VOLUNTEERS OF THE CITY OF VENETA AND REPEALING RESOLUTION NO. 1138

Workman said at the February 10, 2014 meeting, the Council approved Resolution No. 1138 to include some minor corrections and review from legal counsel. Workman said upon legal review it was determined that major formatting issues were needed so legal recommended the Council repeal and replace Resolution No.1138. Workman said Resolution No. 1140

meets all legal and Citycounty Insurance (CIS) requirements. Staff is recommending Councilors adopt Resolution No. 1140.

In response to a question from Victoria Hedenstrom, Hartz said volunteer types not listed separately could fall under "other" in the non-public safety section of Resolution No. 1140.

Workman said because the City has predetermined City events (Easter Egg Hunt, Light Parade, etc.) those were included in the resolution. He said we would notify CIS two weeks in advance of other events not listed in the resolution to obtain coverage.

MOTION: Thomas Cotter made a motion to approve Resolution No. 1140. Thomas Laing seconded the motion which passed with a vote of 5-0.

d. City Administrator.....Ric Ingham
(1) Branding RFP Update

Ingham reviewed his memo that was provided as a handout. He said at the February 10th meeting Councilors authorized staff to release the request for proposals (RFP) for a City branding campaign. The deadline for accepting RFPs was February 28th. Ingham said we received six responses and staff did an initial review for completeness and applied the criteria included in the RFPs packet. Ingham said he and Workman independently reviewed the responses; three of which were from local firms and three were from outside the area. Ingham said he and Workman both felt Total Destination Marketing provided the best proposal. He said the proposals from the top four firms reviewed by staff ranged from \$43,750 to \$25,175 which were higher than expected. He said part of the reason for higher costs is the economy is picking up, many firms are getting really busy now and are in higher demand.

Ingham said the RFP packet had a timeline to select the top three proposals and request they provide oral presentations to the Council at the April 14th Council meeting. However, with the high cost of the proposals, staff felt it was appropriate to only commit a portion of the cost to this fiscal year and budget the remaining cost in FY 2014/15. He said staff has a lot going on right now with Workman leaving and himself being gone for a portion of April and May. He said he's concerned about not having a staff contact. Ingham reviewed the options provided in his memo.

Ingham said Total Destination Marketing is a small firm in Tualatin, Oregon. He said a principal in that firm is Bill Baker who is an international branding expert. He said Total Destination Marketing was the only firm that participated in the pre-bid conference and submitted a proposal. Ingham said before a contract is awarded, Mr. Baker agreed to provide a "branding 101" presentation to the Council. Ingham said Mr. Baker's presentations are very well done, concise, and hit key issues. He said Mr. Baker also had references and he's done branding for several rural Chambers of Commerce in Lane County.

Ingham said he was impressed with the scope of work and proposal from the St. Louis firm but unfortunately, they didn't provide any products for similar cities our size. He said that firm also hasn't worked much in Oregon and it didn't have any references. He said staff got the sense that the firm also was just getting started and didn't have much experience.

In response to a question from Brittany Boothe, Ingham said funds can be taken from a few other line items.

Hartz said some spending authority is available but the majority would be budgeted in the next fiscal year.

Thomas Laing said with Workman leaving and Ingham gone the month of April he suggested the branding campaign wait until next fiscal year.

Thomas Cotter said it's difficult to measure branding in terms of monetary return. He said he is skeptical of branding but he would also not want to make the decision without Ingham. He said it's not very responsible to put an RFP out there and then postpone awarding it.

There was a thorough discussion about postponing the branding campaign until after Ingham returns and the Management Analyst is hired. Councilors Boothe and Hedenstrom felt it wouldn't be fair to have Total Destination Marketing provide a branding tutorial if the other firms were not invited to present.

Ingham clarified rather than having oral presentations from the top three proposals, Mr. Baker of Total Destination could provide a "branding 101" to provide the Council with the mechanics of a branding campaign and not necessarily his company's proposal. Ingham said Mr. Baker could start in April, late summer, or early next fall. Ingham indicated he didn't ask Mr. Baker if the cost of his proposal would increase or decrease. He said to follow our procurement process, the Council would need to direct staff to enter into the contract and include whether or not Mr. Baker would increase the contract amount.

Ingham said we can carry the options forward, ask Mr. Baker and the number two firm to provide oral presentations or request Mr. Baker to provide his "branding 101" and at that time the Council could decide whether or not to enter into a contract.

Brittany Boothe felt it's a good idea to give the number two firm an opportunity to provide a presentation.

Mayor Larson said she can see the advantage of getting the 101 to show the benefit of any branding and not necessarily his proposal.

Victoria Hedenstrom said if we give floor time to one firm, we should give floor time to someone else, even if it's not the same material.

Ingham said we need to be careful that we don't open ourselves up to an inappropriate procurement process. He said he can schedule oral presentations that the Council can base its selection on. He said the Council could say yes, we award a firm with the branding campaign but we delay the project until fiscal year 2014/15.

Brittany Boothe said the problem still remains there's no staff person to dedicate time to the branding campaign.

Ingham said staff would follow up in late May or June to complete the process.

Workman said branding firms usually schedule projects out several months so they know what they'll be working on. He said Mr. Baker schedules two or three projects at a time so it's important to get on his schedule. He said Mr. Baker has something planned for the summer so it doesn't necessarily say we're going to hit the ground running with this project.

In response to questions from Victoria Hedenstrom, Ingham said job creation is needed in order to qualify for large grant funds. He said we only spent about \$3000 to get First Resolution Call Center here and we really haven't put the money out there to draw or recruit businesses. He said Rural Tourism Marketing Funds are earmarked for the visitor's center.

In response to a question to Thomas Cotter, Bork said the timeline for Mr. Barker and the

University of Oregon graduate students to prepare the Economic Opportunity Analysis (EOA) will start this spring and have a proposed conclusion around December. She said the EOA looks at employment projections over the next 20 years and industries we'd like to have locate here.

Ingham said the EOA will address setting aside commercial and industrial land in the Comprehensive Plan. He said the contract with Mr. Barker includes an update to the EOA and identify businesses we could attract to the area.

Thomas Cotter felt the branding campaign and the EOA update should be done together. He said he needs more time to make a decision. He said he's not sure he wants to have a branding company already designated at such a high cost and he's not understanding how effective the branding will be if it's effective at all. He preferred Option 2 and when upon Ingham's return or when someone is hired to replace Workman, followed by Option 3 then Option 1.

Brittany Boothe said she sees the value in branding but not at such a high cost.

Victoria Hedenstrom said we started with the \$99 website logo and now we're at \$48,000 bid.

Ingham said we can pull back now and notify all responders that we're not moving forward at this time. He suggested scheduling Mr. Baker to come in before the budget is adopted to include a place holder of a specific amount, direct staff to see if we can secure a third of those costs or a third from other sources, and work to get the proposal down to around \$30,000. He said the last thing he wants to do is totally pull back and not have a place holder in the upcoming budget.

Brittany Boothe said a placeholder in the budget gives the impression that since it is in the budget then it's okay to spend.

Ingham said the expenditure needs to be identified in the budget but the Council still has to authorize a contract to proceed.

After a thorough discussion, it was the consensus of the Council to direct staff to delay the selection process and ask Mr. Baker to work with staff on a date from now until the 2014/15 budget is adopted, and direct Ingham and Hartz to work on weaving a dollar amount into that budget.

In response to a question from Thomas Laing, Ingham said we're likely to see the costs increase if we back away from the RFP.

(2) Questions from Councilors

Brittany Boothe said she received an email from Mr. Henry. She said she's not sure how she should respond to an email from a resident or if we have an email protocol in place.

Bork said she responded to his email.

Ingham said Councilors can respond by thanking a resident for outreaching to the Council and then ask staff to provide some background information. He said staff has actively engaged legal counsel in this issue. He said Bork has primary responsibility to Mr. Henry. He said staff won't likely keep the Council in the loop until the matter has been resolved. Ingham said Mr. Henry is doing infill development in a part of town that does not have sidewalks. He said rather than requiring Mr. Henry to include sidewalks the City required him to sign an irrevocable petition that would cover the cost of future street infrastructure and

provide a deposit. Ingham said Mr. Henry built a house in 2007, signed an irrevocable petition and paid \$1000 deposit for future sidewalk development which followed the code at that time.

Bork said if there was the possibility of installing sidewalks, he would have been required to do so if the infrastructure was there at the time. But because there were no street improvements, sidewalks could not be installed at that time. Therefore an irrevocable petition was required to cover the cost of future improvements. She said Mr. Henry found a discrepancy in the code so he wants a refund for something that happened several years ago.

Ingham said legal counsel has directed us to not open up past issues. He said we want builders to come in and do infill development. Ingham said Mr. Henry is paying several thousand dollars more and working every angle and rightfully so to try to recoup some of those funds but at the same time we can't put the City in a position that could possibly expose us to more damages. He said Mr. Henry informed staff that unless we cater to his current demands he will contact other property owners to also demand past damages. Ingham said the City will not be threatened with extortion or blackmail.

Brittany Boothe said it seems unfair that Mr. Henry had to do both; sign an irrevocable petition and pay the \$1000 deposit. She felt he shouldn't have had to do both.

Bork said Mr. Henry's situation is unique because it's infill and there are not sidewalks there. She said the code meets 99% of City circumstances but unfortunately, it didn't fit his situation. The code allows him to build the sidewalks and sign the irrevocable petition for future street improvements.

Ingham said with regard to questions about medical marijuana dispensaries, he said Bork will provide the Council with a copy of the Oregon Administrative Rules and prepare for a work session on March 24th. He said staff will need to pass on Councilors' questions to legal so he asked Councilors to please get their questions to staff by 5:00 p.m., March 14th. He said legal will need a week to research those questions and get materials to staff for the March 24th packet.

Mayor Larson said it was great to see the spay/neuter grant funds being spent.

Ingham said a few management team members held six Skype interviews for the Management Analyst position to fill Workman's position. He said of those six, staff has invited four to interview Monday, March 17th. He said two of the applicants are from out of the area and the other two are from the Eugene, Junction City, and Springfield area.

7. ADJOURN

Mayor Larson adjourned the Veneta City Council at 10:27 p.m.


Sandra H. Larson, Mayor

ATTEST:


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