

Minutes of the Veneta City Council

February 9, 2015

Present: Sandra Larson, Tim Brooker, Thomas Cotter, Victoria Hedenstrom, and Thomas Laing

Others: Ric Ingham, City Administrator; Kay Bork, Community Development Director; Shauna Hartz, Finance Director; Kyle Schauer, Public Works Director; Katie Babits, Management Analyst; Darci Henneman, Assistant City Recorder; Herb Vloedman, Lindsie Hammond, Mr. Bradford, and Joan Mariner, Fern Ridge Review

1. CALL TO ORDER

Mayor Sandra Larson called the Veneta City Council to order at 7:07 p.m.

2. PUBLIC COMMENT

Herb Vloedman, 25115 Luther Lane, Veneta, OR

Mr. Vloedman said he wanted to talk about funding sources for roads. He said it's important to remember that SDC's are proportional for residential development; meaning funds from large subdivisions are distributed across the system and not just for the subdivision. Also commercial businesses pay transportation SDC's for those subdivisions to travel to and from their home. He said we should work toward more development which would increase SDCs for road maintenance and improvements. He said roads cost a fixed amount for their size but if roads are run under capacity, by not having as many residents using those roads, costs are spread across fewer people. He said we all like to see better roads, curbs and gutters and one thing that can help is having a thriving developing environment and growth to get people building houses, paying property taxes and developers paying SDCs. He said yes, it means more people in the City and more traffic but we have to have roads.

In response to a question from Victoria Hedenstrom, Mr. Vloedman said he's not saying people don't pay SDCs. He said it's proportional to the size of a development and the traffic it generates. He said we build a lot of roads, but if we have too few people on it, they deteriorate from the sun. He said streets don't necessarily wear out from traffic, they wear out from time. He said growth in the City can mean fresher roads.

3. PUBLIC HEARING – Legislative Land Use Decision. Amendments to the Veneta Land Development Ordinance No. 493 & Land Division Ordinance No. 494 – Improvement Requirements

Mayor Larson reviewed the public hearing process.

1) Mayor Larson opened the Public Hearing at 7:12 p.m.

2) Staff Report

Bork reviewed the staff report. She said the City Council is being asked to adopt the proposed code amendments to Veneta Land Development and Land Division Ordinance related to required improvements and Irrevocable Petition (IP) in lieu of improvements at the time of development or land division, and to add broadband fiber conduit as a required improvement. The City Council initiated the code amendments in June 2014 and the Planning Commission held a public hearing on January 6, 2014 and recommended approval to the City Council. Previously, the Council gave staff direction to draft amendments to the Veneta Municipal Code in order to require broadband conduit to be installed at the time of development. The amendments were initiated as a result of Veneta's participation with the Regional Fiber consortium of Lane County. Bork reviewed the amendments and asked the Council if they had any questions.

In response to a question from Thomas Cotter, Bork said requiring the conduit for fiber optic doesn't apply to construction of a single home. She said for example, an infill lot on Third St. wouldn't be required to include a conduit for fiber optics. She said staff would review the building permit and we would decide if it's feasible to put the conduit in but there likely won't be anything to connect it to.

In response to questions from Mayor Larson, Bork said if a developer of one or two lots wasn't able to install the sidewalk, they would be required to sign an IP. She said generally only subdivisions will install broadband conduit when cable, phone, etc. lines are installed. Bork said if a street improvement project is planned for the near future, we would require the deposit be paid. But if the street project wasn't going to happen for several years, we most likely wouldn't require the deposit.

In response to a question from Thomas Cotter, Bork said when the Planning Commission reviews land partitions they would weigh in on whether or not to require the deposit and signing an IP.

In response to a question from Thomas Cotter, Ingham said requiring a deposit for a one or two lot development isn't really practical. He said for example, it wouldn't make sense to require a deposit for a single lot development on McCutcheon, where there are no sidewalks. He said wouldn't we rather see those two or three lots be filled in? He said developers may decide to build elsewhere if we require a deposit.

Bork said several years ago we required deposits which required we track them for years. She said that takes staff time and sometimes the costs exceeds the deposit over time.

Mayor Larson said once any infill is completed, everyone on the street will share in the improvements equally.

In response to a question from Victoria Hedenstrom, Bork said IPs are recorded with Lane County Deeds & Records and would show up when a title search of the property was done. She said the IP will specifically state what the required improvements are.

- 3) Public Comment
None
- 4) Specific Council Questions from Public Testifying
None
- 5) Mayor Larson closed the Public Hearing at 7:26 p.m.
- 6) Council Deliberation & Decision
None

4. ORDINANCE NO. 519 - AN ORDINANCE AMENDING THE VENETA LAND DEVELOPMENT ORDINANCE NO. 493 AND LAND DIVISION ORDINANCE NO. 494 REGARDING REQUIRED IMPROVEMENTS. For First Reading by Title Only.

MOTION: Thomas Cotter made a motion to approve Ordinance No. 519 for first reading by title only. Tim Brooker seconded the motion which passed with a vote of 5-0.

Ordinance No. 519 was read into the record for first reading by title only.

5. CONSENT AGENDA

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

VOTE: Thomas Laing, aye; Thomas Cotter, aye; Sandra Larson, aye; Victoria Hedenstrom, aye; Tim Brooker, aye.

January 2015.

6. COUNCIL BUSINESS AND REPORTS

a. Business

None

b. Councilor/Committee Liaison Reports

Thomas Laing said he will have a report at the next Council meeting.

Thomas Cotter said he attended the Oregon Liquor Control Commissioners (OLCC) Community Listening Session that was held at Lane County Fairgrounds in Eugene. He said it was very informative and well run. He said the Community Listening Sessions are held throughout the State to engage citizens in the process and also to answer questions. He said the article in the February 2015 League of Oregon Cities magazine is very informative. He said it was very apparent to him that of the 400 or so people attending, many had questions about medical marijuana related issues.

In response to questions from Mayor Larson, Thomas Cotter said he thought it was unfair that only growers will be taxed and then its distributed through the system so if you don't have shops selling in your district, cities won't receive any tax. He said it seemed like it should be set up so it would be distributed through the state, county then locally. He said where Medical Marijuana Dispensaries (MMD) can locate is more of a local decision rather than a legislative decision.

Victoria Hedenstrom said she attended her first Park Board meeting on February 4th. She said topics of discussion included a summer movie night and whether or not we want to use our own screen and projector or partner with the City of Springfield (Willamalane Parks & Recreation) to provide everything (screen, projector, etc.) She said birdfeeder kits were put together after the meeting and a new radio station is coming to Veneta that will, among many other things, provide public service announcements related to parks and activities.

Tim Brooker said he has yet to attend his first LACT meeting. He said he spoke with County Commissioner Sid Liken and the current board Chair who are both excited to have him on the LACT committee. He said they both indicated they are available to call on should he have any questions. He said Thomas Cotter also passed on a lot of information about LACT. He said he's looking forward to the first meeting.

Mayor Larson said the entire Council attended the annual LCOG Appreciation Dinner that was held Friday, February 6th. She congratulated Thomas Laing on receiving the Outstanding Citizen of the Year award. She thanked Babits for creating a wonderful photo collage which was the only display at the banquet.

Mayor Larson said with regard to the School District, Veneta Elementary received a pilot grant for a new program, Kids in Transition to School (KITS). She said being selected, kindergarten students and parents will participate in two – two hour program sessions per week for eight weeks. She said the program focuses on literacy, social skills, and early math. She said the Kindergarten assessment scores revealed that Kindergartners at Veneta Elementary scored lower than those from Elmira Elementary. She said the School Superintendent said the program had wonderful results in Springfield.

Mayor Larson said she and Ingham attended a conference for community leaders titled "Catalyzing Community Prosperity" that was held in Silverton. She said the conference was very interesting and emphasized helping existing businesses, engaging youth, and young singles and families. She said she is encouraged to support a brew pub. She suggested we ask the question, "how do we prosper despite _____" and we fill in the blank. She proposed holding a future work session on our community assessment. She said she has a lot of materials from the conference.

7. STAFF REPORTS

a. Finance Director.....Shauna Hartz

(1) Proposed Water Rate Increase

i. Agenda Item Summary

Hartz said in 2012 the City contracted with FCS to assess the City's current financial position in the Water System related funds and to create a water rate analysis for the City. Preliminarily it was determined that the City would need to increase water rates by 25%, which the Council approved effective July 1, 2013. She said in January 2014 the City, after the final report, implemented a rate increase of 3.5%. The report also suggested 2% rate increases every January thereafter for a specific number of years. Hartz said she has been able to confirm that is still a good idea. She said her focus is on making sure our ending fund balance and our target fund balance remain the same. And at the same time trying to keep the financial impact to rate payers as low as we can. Hartz said she put together assumptions that should give the Council an idea of how she arrived at the projections. She also included a summary on the water operating fund and the relationship it has with the SDC Water funds. Currently, we have budgeted to pay at least one of the water pipeline bonds with SDCs. Unfortunately with the low amount of building activity this fiscal year, the SDC fund is not adequate so it needs to come from the Water fund which is why she is suggesting this rate increase. She said it's not a dire situation but she's trying to be conservative. She said we anticipate more building activity in this fiscal year which should bring in more SDC funds to help ease the burden on the Water fund. She reviewed the attachments to her agenda item summary and asked the Council if they had any questions.

In response to a question from Thomas Cotter, Hartz said we are required to bring any rate increases to the Council and hold a public comment session. She said as she recalls, we gained a stronger financial position by implementing the 2% annual increase. If we were to wait a year or even skip one or two years, the end result would require a larger increase.

In response to a question from Victoria Hedenstrom, Ingham said the Council is required to follow a formal process whenever the City proposes a rate increase.

In response to a question from Mayor Larson, Hartz said typical household usage without any outside watering or irrigation is roughly 3,000 to 5,000 gallons per month.

In response to a question from Victoria Hedenstrom, Hartz said information about the rate increases will be included in the March City newsletter.

Hartz suggested we increase the bulk water usage as well. She said we are required to hold a public comment session in order to approve Resolution Nos. 1160 and 1161. She would like to propose the effective date of Resolution No. 1160 be changed to March 1, 2015 to give residents time to learn about the rate increase before it becomes effective.

Public Comment
None

ii. **Resolution No. 1160** – A RESOLUTION ESTABLISHING WATER FEES AND RATES FOR USERS OF THE VENETA MUNICIPAL WATER SYSTEM AND REPEALING RESOLUTION NO. 1137

MOTION: Thomas Cotter made a motion to approve Resolution No. 1160 with modification that we use the effective date of March 1, 2015. Tim Brooker seconded the motion which passed with a vote of 5-0.

Public Comment
None

iii. **Resolution No. 1161** – A RESOLUTION ESTABLISHING BULK WATER FEES, RATES, POLICIES AND PROCEDURES AND REPEALING RESOLUTION NO. 1157

MOTION: Thomas Cotter made a motion to approve Resolution No. 1161. Thomas Laing seconded the motion which passed with a vote of 5-0.

(2) **Resolution No. 1162** - A RESOLUTION ACCEPTING SPECIFIC PURPOSE GRANTS AND UNFORESEEN CONTRIBUTION AND APPROPRIATING EXPENDITURES

Hartz said in order to accept the \$20,000 grant from the Regional Fiber Consortium, a \$5,000 grant from Lane County, and a \$6500 contribution from Lane County for the purpose of installing the fiber optic facilities to the Veneta Business Park, Oregon Budget Law requires us to appropriate the expenditures. Because it is a specific purpose this can be done by resolution rather than by Supplemental Budget. She said the appropriations are to be increased in the General Fund for expenditure of the grants and contributions under the function of Capital Outlay for \$31,500. She said any of the specific purpose grants or contribution not spent in fiscal year 2014-15 will need to be included in fiscal year 2015-16.

MOTION: Tim Brooker made a motion to approve Resolution No. 1162. Thomas Cotter seconded the motion which passed with a vote of 5-0.

b. Management Analyst.....Katie Babits

(1) Council Goal Setting Priorities

Babits said as directed by the Council, she prepared a re-prioritization based on the Council goal survey. Babits reviewed the updated priorities and asked the Council if they had any questions.

Mayor Larson said it's important to remember, that even though the goals are prioritized, the Council would still like to see some projects get completed in each category. She felt this a responsible list of goals.

Thomas Cotter said he based his answers on what was important to him and not necessarily what was important to the City. He said had he based his answers on the importance to the City his numbers would have been in a different category. He said he is curious how that would have expressed itself in the ranking.

Ingham said it's important to note the difference between tasks or goals. He said this was an exercise in whether the Council wanted to change the priority. He said collectively, the Council's goals focus on the betterment of the community and that we were still building on the original Council goal summary report.

Thomas Cotter said for example, he felt we've done a good job in the last two years establishing the ground work for sewer and water and those projects continue to move on without a lot of oversight from the Council. He thought this was an opportunity for the Council to identify things that were more important individually.

Ingham said the way many of the goals are structured, staff will check in with Council. He said a good example is the East Bolton Local Improvement District (LID) process. He said the Council will have three separate occasions to tell staff whether or not they want to move forward. Staff is hoping this is one of two or three LIDs that we do so even under complete sewer system build out, the Council will have eight to 10 decision points over the next two years on whether we proceed with one, two or three LIDs. He said it's not like telling staff to complete specific projects. He said the Council will be the decision makers at different milestones as we move along.

Tim Brooker said he completed the survey with the mind set of which goals are of importance today rather than when the goal summary was completed in 2014. He felt they didn't really change but it gave the Council a chance to rethink the priorities and the changes make sense. He was more interested in the goals rather than the tasks.

Ingham said staff wants to modify the report and put together a work plan that reflects the re-prioritized goals.

- c. Community Development Director.....Kay Bork
(1) East Bolton Rd. Sewer Improvement Project – Initiation for Proceedings of a Local Improvement District

Bork provided the Council with a follow up to the open house and outlined the next steps to form an East Bolton sewer Local Improvement District (LID) if that's the direction Council wishes to go. She reviewed the amendments and options discussed at the January 26th meeting. She felt the open house was very successful and that staff provided good information.

In response to a question from Mayor Larson, Bork said residents attending the open house gave her the impression that they were resigned to the fact that a sewer improvement project was going to happen. She said one resident was very excited and asked why it didn't happen sooner. She said there were no negative comments but some residents had questions and that they appreciated getting answered at the open house.

Mayor Larson said staff is doing a really good job with providing the information.

Bork said staff didn't realize two properties are already hooked up. She said staff is proposing these two properties be removed from the boundary. Removing these properties will result in a higher contribution from the City. She said property owners connected to the existing line near Applegate Court may be interested in hooking up to the new sewer line to eliminate the need of a sewer pump. She said even though they are not part of the LID Boundary there may be an opportunity to allow these property owners to contribute to the project.

Bork said the 2009 Engineer's Report included a certain number of connections per lot but that number may be amended in the 2015 Engineer's Report because of the greenway overlay done since 2009. The overlay will affect the number of potential hook ups and development on one large lot in particular. She said if the Council decides tonight to move forward to direct the engineer to prepare the engineer's report, the next step would be to establish a Local Improvement District (LID) for E. Bolton Rd. She said the next City newsletter will include information about the LID.

In response to a question from Tim Brooker, Bork said the boundary will change to remove the two homes that are already hooked up to City sewer and we could include the two properties that want to connect to the new line but give them a zero assessment. She recommended moving forward with the boundary included in the packet materials.

MOTION: Thomas Cotter made a motion to direct the City Engineer to prepare a report for the E. Bolton Rd. Sewer Improvement LID in accordance with Veneta Municipal Code Chapter 3.1-.020 and with the modified project boundary as shown in the attached maps. Thomas Laing seconded the motion which passed with a vote of 5-0.

- (2) Architectural Services Contract Approval

Bork said staff is working on a few modifications and will bring the contract back to the Council for possible approval at the next meeting.

d. Public Works Director.....Kyle Schauer

(1) Intent to Award Water Tank Rehabilitation Contract

Schauer said he wanted to provide the Council with a verbal update on the East Broadway water tank rehabilitation project. He said six bids were received which was a good showing of interest for this project. He said City Engineer, Murray, Smith and associates assisted with putting the request for proposal together and estimated the project at \$375,000. He said S & K Painting, Inc. submitted the lowest bid of \$352,000 and Murray Smith recommended we accept that bid. He said the intent to award went out on February 2nd which starts the 10 day appeal process. He said legal counsel has already reviewed the contract which will likely be brought to the Council at the next meeting. He said S & K does good work and has completed previous tank work for the City.

In response to a question from Thomas Cotter, Schauer the reservoir vent needed to be replaced and enlarged and the top access door is corroded because the interior coating has failed. He said in 2005 the exterior was recoated and interior spot repairs were done. He said now the interior will be entirely redone.

In response to a question from Mayor Larson, Schauer said taking the tank offline to complete the repairs won't have an effect on water delivery. He said when the water pipeline was constructed it included a bypass valve so we can isolate that reservoir from the system without any water restrictions.

In response to a question from Thomas Laing, Schauer said this entire project was budgeted in this fiscal year and the contractor has 150 days from start to finish to complete the project.

In response to a question from Tim Brooker, Schauer said in 2005 the half million gallon tank received interior and exteriors upgrades.

Schauer said the original coating on the East Broadway tank was done when the tank was built in the 1970's. He said spot repairs have been done and it's held up fairly well. He said with today's technology, none of that original coating material will be used and the new coating will not change the taste or quality of the water.

With regard to the Work Session, staff asked the Council how they would like to proceed. Staff said the Council has the following options: 1) Request a work session to discuss the matter further, 2) Direct staff to draft funding scenarios; or 3) Direct staff to develop a six year paving plan.

Mayor Larson said we have the information and to her it seems logical to direct staff to create a plan for Council to review.

In response to a question from Mayor Larson, Ingham said in the beginning the Plan will be a fairly broad concept but will outline what projects we'd do in the first and second year, and tell us whether we can fund those projects ourselves or if we need to secure outside funding, if so, how to make that happen. He said as we get closer to those funding years we'll ask the engineer for specific costs and what drives those costs.

In response to a question from Mayor Larson, Schauer said right now, staff is asking for Council direction for a base line on which to build the plan and address the backlog.

Mayor Larson said we all agree and recommend scenario No. 2 and staff will propose a plan based on that amount of funding.

After a brief discussion, it was the consensus of the Council to follow scenario No. 2.

Ingham said as part of the budget process, the budget committee will need to approve the amount of money to be spent.

e. City Administrator..... Ric Ingham

- (1) **Ordinance No. 518** -- AN ORDINANCE GRANTING TO VENETA VISION LLC, A NON-EXCLUSIVE FRANCHISE AND RIGHT TO CONSTRUCT, OPERATE AND MAINTAIN A TELECOMMUNICATIONS SERVICE AND TO OCCUPY RIGHTS-OF-WAY IN THE CITY OF VENETA, OREGON AND SETTING AN EFFECTIVE DATE. For Second Reading by Title Only and Final Enactment

MOTION: Thomas Cotter made a motion to approve Ordinance No. 518 for second reading by title only and final enactment. Thomas Laing seconded the motion which passed with a vote of 5-0.

Ordinance No. 518 was read into the record for second reading by title only and final enactment.

- (2) Questions from Councilors
None

8. OTHER

Thomas Cotter said Mr. Bradford is in attendance and he is the property owner of tax lot 3400.

In response to a question from Thomas Cotter, Mr. Bradford said he would like to know where are all these houses are going to go that he's supposed to build on his property.

Thomas Cotter said Mr. Bradford's property is in the greenway so the new engineer's report should identify the correct number of potential hook ups Mr. Bradford will have.

In response to a question from Tim Brooker, Bork said the number of potential hook ups listed in the 2009 Engineer's Report is based only on the square footage of the lot.

In response to a question from Victoria Hedenstrom, Ingham said information about the Day at the Capital" was provided in the January 26, 2015 Council packet. He said if Council members wanted to attend, they were asked to complete the registration form and get it back to him.

In response to a question from Victoria Hedenstrom, Mayor Larson said it's very educational for Councilors and she recommended attending.

Thomas Cotter, Thomas Laing, and Tim Brooker said they will not be attending the event.

Thomas Laing thanked Mayor Larson and the Council for nominating him for the League of Oregon Cities Outstanding Citizen Award.

Mayor Larson thanked him for everything that he's done for our community and said the event was a lot of fun.

9. ADJOURN

Mayor Larson adjourned the Veneta City Council at 8:46 p.m.


Sandra Larson, Mayor

ATTEST:



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