MISSION STATEMENT: TO PROVIDE A SAFE, HEALTHFUL AND SOUND ECONOMIC ENVIRONMENT, PROGRESSIVELY ENHANCING OUR QUALITY OF LIFE

COUNCIL MEETING AGENDA
CITY COUNCIL – CITY OF ONTARIO OREGON
TUESDAY, DECEMBER 26, 2017, 7:00 PM, MT

Pursuant to the Public Meetings Laws and Rules within the Oregon Revised Statutes, the City Council has the authority, ability, and standing to take action on any items on the Agenda, or add items to the Agenda, during the Study Session or Regular Meeting, as long as all public meeting notice requirements have been met.

1) CALL TO ORDER

Roll Call: Tessa Winebarger _____ Dan Capron _____ Marty Justus _____ Ramon Palomo _____
Betty Carter _____ Norm Crume _____ Mayor Ron Verini _____

2) PLEDGE OF ALLEGIANCE

This Agenda was posted on . Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website at www.ontariooregon.org.

3) MOTION TO ADOPT THE AGENDA

4) CONSENT AGENDA

A) Adoption of Minutes: December 7, 2017 Work Session

5) EXECUTIVE SESSION

A) ORS 192.660(2)(h)

6) ADJOURN

The City Council may recess/adjourn to Executive Session under ORS 192.660(2) as follows: (a) Employment of Public Officers, Employees, or Agents; (b) Discipline of Public Officers, Employees, or Agents; (d) Labor Negotiations; (e) Real Property Transactions; (f) Exempt Public Records; (g) Trade Negotiations; (h) Litigation /Consult with Legal Counsel; (i) Performance Evaluation of Public Officers and Employees; (j) Trade Negotiations; and/or (l) Labor Negotiations.

The City of Ontario does not discriminate in providing access to its programs, services and activities on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, physical or mental disability, or any other inappropriate reason prohibited by law or policy of the state or federal government. Should a person need special accommodations or interpretation services, contact the City at 889-7684 at least one working day prior to the need for services and every reasonable effort to accommodate the need will be made.

AGENDA REPORT
CONSENT AGENDA
December 26, 2017

TO: Mayor and City Council

FROM: Tori Barnett, City Recorder

THROUGH: Adam J. Brown, City Manager

SUBJECT: ADOPTION OF MINUTES: DECEMBER 7, 2017 WORK SESSION

DATE: December 21, 2017

PROPOSED MOTION:

I MOVE THE CITY COUNCIL

SUMMARY:

BACKGROUND:

CURRENT SITUATION:

ANALYSIS:

A. **FINANCIAL**

B. **TIMING**

C. **POLICY/LEGAL**

ALTERNATIVES:

RECOMMENDATION:

Staff recommends

ATTACHMENTS:

1. 12-07-2017 Work Session Minutes

CITY COUNCIL WORK SESSION MINUTES
December 7, 2017

The scheduled Work Session of the Ontario City Council was called to order by Mayor Ronald Verini at 12:00 p.m. on Thursday, December 7, 2017, in the Council Chambers of City Hall. Council members present were Ronald Verini, Norm Crume, Tessa Winebarger, Dan Capron, Betty Carter, Ramon Palomo, and Marty Justus.

Members of staff present were Adam Brown, Tori Barnett, Larry Sullivan, Kari Ott, Terry Leighton, Cal Kunz, Dan Cummings, Cliff Leeper, Debbie Jeffries, Dallas Brocket, and Dan Beaubien.

The meeting was recorded and copies are available at City Hall.

Norm Crume led everyone in the Pledge of Allegiance.

AGENDA

This Agenda was posted on December 5, 2017. Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website www.ontariooregon.org.

Mayor Verini stated they would be adding Jim Bain's application for appointment to the Airport Committee to Agenda item #8(A).

CRUME moved, WINEBARGER seconded, **to ADOPT THE AGENDA AS AMENDED.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

PUBLIC COMMENT

John Forsyth, Field-Waldo Insurance, introduced Dallas Waldo and Dustin Grant. He thought it would be good for them to sit in on a Council meeting. Also, the new location for Field-Waldo Insurance was 378 West Idaho Avenue, the old Northwest Farm Credit building, and they'd be having an Open House when they were fully up and running, most likely around the middle of January.

SPECIAL ACTION

Mayor Verini read the Ontario School Choice Week Proclamation into the record.

CITY OF ONTARIO
MAYORAL PROCLAMATION
ONTARIO SCHOOL CHOICE WEEK

WHEREAS, *All children in the City of Ontario should have access to the highest quality education possible; and,*

WHEREAS, *The City of Ontario recognizes the important role that an effective education plays in preparing all students in Ontario to be successful adults; and,*

WHEREAS, *Quality education is critically important to the economic vitality of Ontario; and*

WHEREAS, *Ontario is home to a multitude of high quality public and nonpublic schools from which parents can choose for their children, in addition to families who educate their children in the home; and*

WHEREAS, *Educational variety not only helps to diversity our economy, but also enhances the vibrancy of our community; and*

WHEREAS, *Ontario has many high quality teaching professionals in all types of school settings who are committed to educating our children; and*

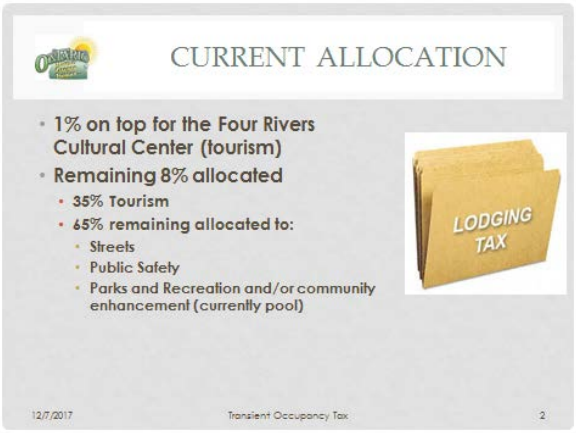
WHEREAS, *School Choice Week is celebrated across the country by millions of students, parents, educators, schools, and organizations, to raise awareness of the need for effective educational options.*

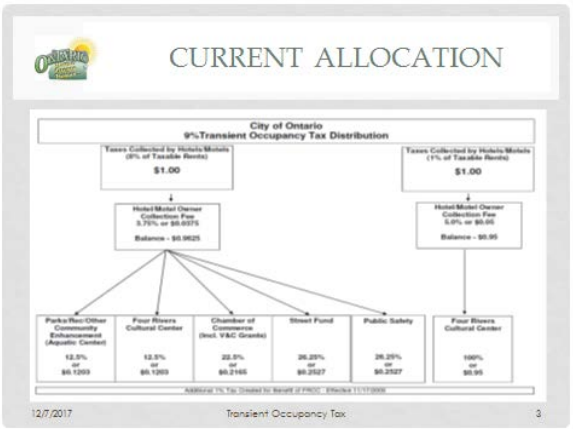
NOW, THEREFORE, BE IT RESOLVED *that I, Ronald Verini, Mayor of Ontario, Oregon, do hereby recognize January 21-27, 2018, as* ***CITY OF ONTARIO SCHOOL CHOICE WEEK*** *and call this observance to the attention of all our citizens.*

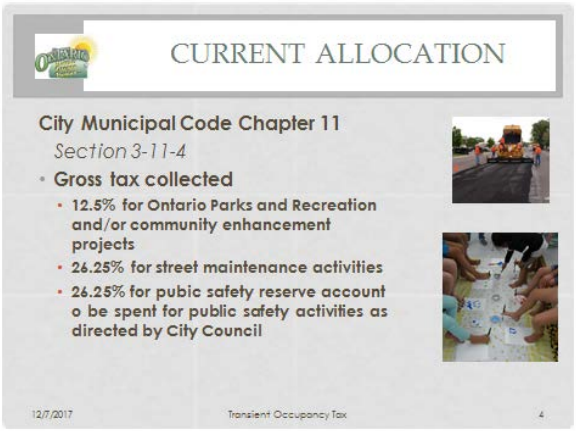
PRESENTATION

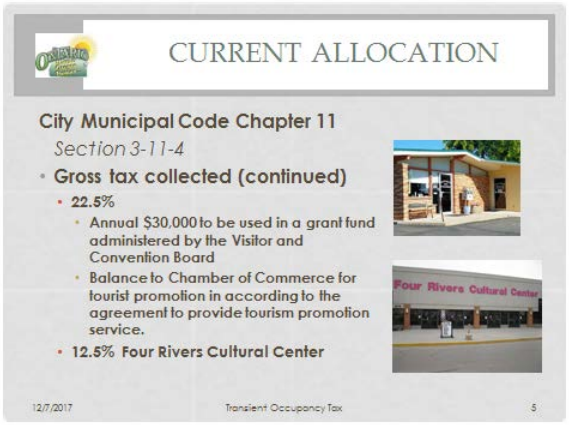
Transient Occupancy Tax Distributions

Kari Ott, Finance Director, presented.









Mayor Verini stated they were reviewing this due to the city being strapped financially in the city. Council and staff were looking into many different ways to run the city in a safe and healthy manner, and as to where they could potentially spend money more effectively and efficiently.

Councilor Crume asked what the wording was in the ORS that dictated the 35%/65% split.

Ms. Ott stated it was not determined by statute; the Council decided on the split.

Councilor Crume verified the ORS stated that since 2003, the city was locked into those percentages.

Ms. Ott stated they were only locked into the tourism percentage. It did restrict that they could provide money for, to pay debt on tourism related facilities, or specific services. But, they could not decrease the tourism that was already allocated.

Councilor Crume stated they had reviewed this numerous times, but on this issue, if there could be something written for future reference, to show this, along with that portion of the ORS which discussed the percentages and would couldn't be changed, and add the wording of what the ORS stated to make it very clear. It would be beneficial for moving forward. The wording needed to be included in the explanation.

Councilor Justus wanted to review what amount of the Chamber was receiving, as well as Four Rivers. Of total revenue, 35% had to go to tourism, but it didn't have to be split the way it was currently split. The city didn't have to give the Chamber a certain amount of money; they didn't have to give the Cultural Center a certain amount of money. It was just traditionally what had been allocated and provided.

Ms. Ott stated that was correct, as long as it went towards tourism.

Councilor Justus stated for instance, had they ever asked the Four Rivers Cultural Center to give the Council a presentation on how many people went to the museum, and what the money the city was providing was being used for? Basically, it was a grant to the Chamber and the Cultural Center. When giving that grant, did the city have any stipulations of those places returning to the Council to show how that money was spent? The law stated they had to use the funds for tourism, and the money was being given out. The Council hadn't asked them to verify how that money was actually being used. Correct? How did the Council know that the funds weren't being used for their general budget? How would the Council know if the Chamber was using tourist dollars for tourism?

Ms. Ott stated there was an agreement with those places.

Councilor Justus stated if they were spending $100K for tourism, he wanted to see $300K in return on that $100K investment – on tourism. Not V&C funds. That was different than the $100K given to Chamber.

Ms. Ott stated she saw no reason they couldn't request that information.

Mayor Verini stated they had offered every year to make a presentation to the Council, and they had presented in the past. John Breidenbach had presented, as well as Matt Stringer. Not since Councilor Justus had been on board, but they had offered every year. They were willing to present to the Council.

Ms. Ott stated she sat on the Chamber Board in Harney County. This was the same way the Chamber there got tourism money, and they split it out, showing where the money went.

Councilor Justus stated he was trying to figure out ways to find money to pay for softball for the kids. That's what he was trying to do, and that's what he wanted to do. If the $100K given to the Chamber to promote tourism somewhere else in the budget, so the Council could allocate the funds that currently being used somewhere else, by taking those funds, they'd have $100K to give towards softball, or soccer, or to the Recreation Department. That's what he wanted to look into. He wanted to stay within the law, and allocate the funds the way they were supposed to be allocated, but what he didn't want to do was…if he had a choice between funding the Chamber of Commerce or having 800 kids play soccer, he would chose the kids. He wanted to know if there was any way to reallocate the way they were doing that budget, with that money, so they could keep it affordable. He saw money there, that he believed they could use smarter and better, to make sure the kids had a recreational opportunity.

Mayor Verini stated being open about it was good. If they reviewed it, he wouldn't consider the kids playing softball a tourism attraction. He would consider the Chamber of Commerce one of the most successful Chambers of Commerce in the area, to be tourist revenue producing for the city. The purpose of the monies, and the Cultural Center, they brought in, they had the attractions that brought in the tourists. What Council Justus was speaking about was, he believed, out of the tourist realm, totally.

Councilor Justus stated the city did other things to promote itself that came out of the General Fund. If they allocated that as tourism dollars towards those items, the $100K to other things that the city did, then they'd have $100K in the General Fund that could go towards promoting softball, soccer, and youth activities. He wanted to see what they were spending in the General Fund that could be called tourism. How where they going to find money for kids to play ball?

Mayor Verini stated Councilor Justus was talking smoke and mirrors.

Councilor Justus was talking allocating dollars to dollars.

Mayor Verini stated if that money was allocated for tourism, that's exactly where they needed it to go. They didn't need it to go to children playing softball.

Councilor Justus stated they were going to talk about deferring capital costs that totally affected tourism. Not providing curbing for downtown, not putting in screens for the trash cans, all those things could be called tourism dollars. They were going to talk about offsetting all those costs.

Mayor Verini stated it was all smoke and mirrors.

Councilor Justus stated it was not smoke and mirrors; he was trying to find $100K.

Councilor Winebarger stated that 12.5% of the taxes were already going to Parks and Recreation in the TOT allocations.

Councilor Crume stated after going over this, could they, should they, have used, temporarily, some of the money that was set aside for the Splash Pad, where it was continual money going in every year, the 12.5%, for the recreation equipment grant they had to turn down? Couldn't that have been used for that?

Ms. Ott stated yes.

Councilor Crume stated in reviewing it now, wouldn't that have been a good move, to use that money to buy that equipment at that time? No one thought of that then. Any future grant opportunities, the Splash Pad was working to get that, and it would take more time to come to fruition, so if they temporarily used a portion of that money to buy the playground equipment, that all fit. It was money that was replenished.

Adam Brown, City Manager, stated at the time, that money, and it currently was, budgeted for the Splash Pad, but that didn't' mean they couldn't change it going forward. He wouldn't want to see what's there, taken away. That had been done before, and it would abolish any trust with the Friends group.

Councilor Crume stated then, any money expected next month, or the next six months, could be used for the playground equipment, rather than going and stacking the pool money up higher.

Mr. Brown stated that money was budgeted through the end of the year for the Splash Pad. They then hit the mark they were targeting. Maybe then take a portion of that for recreation, some for playground equipment, so he saw no problem recommending that part of that in the 2018-19 budget go towards playground equipment. One challenge was that the recreation plan was 14 years old, from 2003. He'd like to see…the Lion's Park was so central in the city, that it should be a hub of the community. If they put a lot of things into it, it made it a destination – a dog run park, walking paths, the Splash Pad, new equipment – then shoot out spokes from that into the city. That needed to be done through a revision in the Rec Plan. It was a weakness that showed when they asked the state for money. He'd like to see the money budgeted in there for this year, left alone. They'd have enough money to fund the playground and some towards recreation in the proposal he'd be presenting later.

Mayor Verini maybe they could look into decent, working restroom facilities.

Councilor Carter stated those would be associated with the Splash Pad, which was designated for 2018.

Councilor Capron stated they were missing the boat on saying they couldn't use recreation as tourism. In Fruitland when a softball tournament was going, it was more than anything he'd ever seen in Ontario. With tourism, there were onions around, but no one had an onion festival. He'd been in Moxee, Washington, and they had a hop festival. They could do something with tourism and recreation combined. He was all for moving money around where they could legally do it.

Councilor Justus stated he was all for having both the Cultural Center and the Chamber come before the Council on how they were spending the money given by the city. He was not seeing a bang for their buck for tourism.

Mayor Verini stated being a member of the Chamber, and reviewing all the events put on during the year, as well as their Monday Forums, they had forty to seventy people attend those. They were the movers and shakers of the community. They brought in a tremendous amount of tourism. The Cultural Center, the amount of functions that occur there was a tremendous asset to Ontario. He couldn't see where he was saying the Chamber of Commerce or the Cultural Center was falling down on the job.

Councilor Justus stated he wasn't saying they were falling down on the job.

Mayor Verini stated he was questioning obvious success.

Councilor Justus stated he was trying to figure out how to make sure 900 kids played soccer. In a city that had absolutely zero other recreational opportunities for the youth….

Councilor Carter asked what other cities were doing for their recreation programs. There could be grants, or scholarships, or sponsors, or many other things that could be done when an area was invested in their children. Parents had to invest in their children, too. They had to ask themselves: what were the parents doing? What was being provided so they could have some things that everyone could contribute to? The city couldn't take 100% car of recreation; the families had to also contribute.

Mayor Verini some cities were putting together recreation districts, which brought money in from a larger pool, not just the city. Maybe they needed to consider a district. He was not aware of the process or timing.

Larry Sullivan, City Attorney, stated in the past County Counsel had assisted in creating Recreation Districts. It took a while. He'd never done one. Stephanie Williams had been instrumental in setting up the Library District, which was a similar structure. It might be worth speaking with her about that. They might be past the point for the May ballot due to the organizational work that would need to be done. It could be done.

Mayor Verini asked if it was something that they'd have to get together before February, or when, to get it on the ballot?

Mr. Sullivan stated he would speak with Stephanie Williams about it, and give a report back to the Council. He'd try to get that ready by the next meeting.

Councilor Capron stated they had the solution. Vote yes on the 1% and it's all taken care of. Then, do everything Councilor Carter said, and it was icing on the cake!

Mr. Sullivan wanted verification on what Councilor Justus was proposing, as he wasn't sure that some of the other Councilors understood his proposal. If he understood it, Councilor Justus was proposing that the city identify what specific tourist related activities that the city was now funding out of its General Fund that it could stop funding out of the General Fund and use TOT tax money for instead, and that would free up money from the General Fund to use for other things.

Councilor Justus stated that was exactly what thinking.

Mr. Sullivan stated it wasn't a question of trying to justify using those funds for recreation for children, and arguing about whether those were tourist related or not, the question was whether the city would want to take TOT money and use it to fund its current activities that were now funded through the General Fund.

Councilor Justus stated that was it exactly.

Mr. Brown stated they would have to be justified by the ORS.

Mr. Sullivan stated there wasn't a lot of legislation on it. There was an Attorney General's opinion from 2008 that read that tourist related facilities are narrow. You couldn't claim that tourist related facilities included city infrastructure just because that infrastructure was used by locals and tourists. It had to be something that was there specifically to attract tourists. He didn't know if a downtown area would fit that definition. The AG had an opinion on it that no court had reviewed, but it was a limitation that the AG had expressed.

Councilor Crume asked if Councilor Justus had anything in particular that would fit under that definition. He understood the theory, but he couldn't think of anything they were currently doing with General Fund money that fit that.

Councilor Justus they'd have to go through and analyze it. He was sure things being used from the General Fund that could be designated for tourist dollars.

Councilor Crume stated it was his understanding that it had to be a full-time facility?

Councilor Justus stated no. If they decided they wanted a tourism office, then they could build one and use funds for that. But, he wouldn't advise that. For example, if they wanted to promote the Fairgrounds, and they wanted to rebuild the rodeo facility, they could use those funds for that. If they had a tourism plan, and they wanted to market the Fair as a regional fair for others to enjoy, they could use those funds to redo the rodeo grounds or stadium. They could look at any number of things and ask how to better spend that money that would promote tourism, and then allocate the funds for the kids.

Mr. Sullivan stated to the extent the funds were TOT taxes that were implemented after July 1, 2003; the statute specifically stated that if they were going to take hat money, only 30% of the money that came from the TOT tax could be used to fund city or county services. They could not use 70% of that TOT money for anything that was county or city service.

Councilor Justus stated the Fairgrounds wasn't, as it was a non-profit. The land might be owned by the county, but the fair Board was its own non-profit, just like the Cultural Center. He just wanted to start looking. It might not be a solution, but they had to be open and willing to look. If the sales tax didn't go through, the city would be short, and they had to assume, currently, when there was 1500 people signing a petition saying they didn't want the sales tax, that was half the electorate. Take the information they had currently, and if they wanted to provide certain services, which to him was recreational opportunities to the youth, they had to look at how to fund that. In looking at the Chamber of Commerce, if he had to increase his dues to the Chamber to cover their expense, that's what he had to do as a businessman. If they wanted the Chamber to sponsor the Recreation Department, then maybe the Chamber had to increase their dues by $50 a year so the Chamber could sponsor the kids. Get out of the box and start looking at all the options to ensure they didn't cut Recreation. He did not want the solution of cutting the Recreation Department because it was the lowest hanging fruit, was not the solution he would support.

Mayor Verini stated he looked at the TOT tax as a tax that was for the encouragement of tourism. If they didn't get away from that, he'd be fine, but if they started playing games with a tremendous amount of success in the community, through the Chamber of Commerce or Four Rivers Cultural Center, they were shooting themselves in the foot. It made more sense to put together a Recreation District or get together with the parents of the children and work out a game plan.

Councilor Crume stated one issue the Mayor commented on, which was the successful Chamber of Commerce in Ontario, and the many things they were involved with, included Cars in the Park, America's Global Village, the Winter Wonderland Parade, ONTCCY, etc. Those were all tourism items. Don't forget all those things being done.

Councilor Capron stated he thought that was why Councilor Justus wanted them to come and present. He'd like to know all of what they were involved in. He wasn't involved with the Chamber, so it would be nice to hear what they had going on.

Mayor Verini wanted to direct the City Manager to put together the two presentations – Chamber of Commerce and Four Rivers Cultural Center – to appear before Council.

Council consensus (7/0/0) to do so.

Mayor Verini wanted the Recreation District option looked into, as well.

Councilor Winebarger stated with reference to the outdated Recreation Plan, could they direct the Recreation Board to begin looking into some revamping? At least get started?

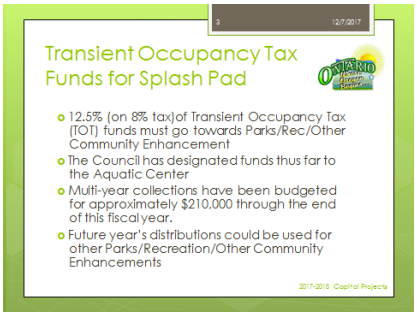
Council consensus (7/0/0) to do so.

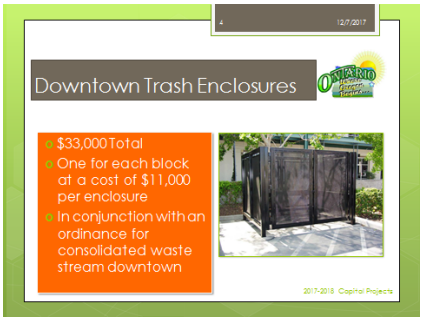
Mr. Brown stated it was important to recognize that the Committee was organized under the statute that created a Parks & Recreation Board. Traditionally, they'd run it as a Recreation Board. They had to challenge that Committee to think about the park side. They needed CH2M involved as the entity maintaining the parks, and someone needed to attend the meetings and be involved in the process.

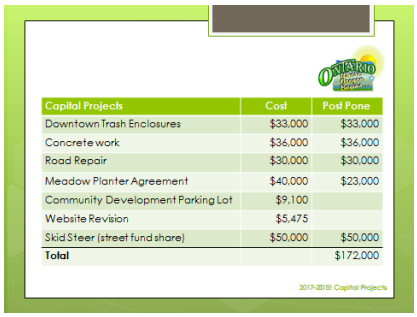
OLD BUSINESS

2017-2018 Capital Projects

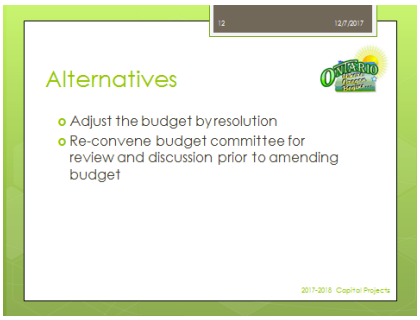
Adam Brown, City Manager, presented.







Capital Projects	Cost	Post Pone
Downtown Trash Enclosures	$33,000	$33,000
Concrete work	$36,000	$36,000
Road Repair	$30,000	$30,000
Meadow Planter Agreement	$40,000	$23,000
Community Development Parking Lot	$9,100	
Website Revision	$5,475	
Skid Steer (street fund share)	$50,000	$50,000
Total		$172,000



Mayor Verini asked, in connection to the concrete work (slide #5), why couldn't they take the striping out and eliminate the actual crosswalk itself, without doing the concrete work.

Cliff Leeper, Public Works Director, stated it had to do with ADA and meeting all their requirements.

Councilor Justus stated part of the issue was that when whoever engineered those, it was done with small drains. The drains were getting clogged and water was backing up down the curb line.

Mr. Leeper agreed it was not a good design and hadn't been well thought out.

Mayor Verini asked about liability if the project was not done.

Mr. Leeper stated this was serious; if sidewalks were not put in at ADA standards, the state could require that they all be redone.

Councilor Capron verified that regarding the Meadow Planter project, (slide #7), all the grates had been purchased?

Mr. Leeper stated the grates had been a real problem, but they currently had them all in-house finally, and they were ready to move on it. Now the issue was temperature. They couldn't pour concrete in this weather. Everything would be done and ready to proceed with the trees by late spring.

Councilor Capron asked if the tree grates included the cost of the concrete, the $17K?

Mr. Leeper stated it did.

Mayor Verini asked what the remaining $23K was from.

Mr. Brown stated that was money put aside for the tree purchase, which was now not needed.

Mayor Verini stated he'd like them to reconvene the Budget Committee, to review all the issues presented to them, plus the feeding of the homeless, as well as taking the $400K that was saved and looking at the PERS issue. Combining all that together, having seven citizens and seven Councilors to discuss it all, to arrive at some solutions. That would be good for the community. There were tough times coming.

Councilor Capron stated on the trash can issue, he understood how the city acquired the downtown parking lots. Could they be returned? Or could the businesses that used the lots be charged a fee?

Dan Cummings, Economic Development Director, stated no, they could not.

Councilor Capron stated a portion of a lot by Brewsky's, where all those cement barriers were at, what was the deal there?

Mr. Cummings stated that was privately owned property, who opted to block it off.

Mayor Verini stated with regard to reconvening the Budget Board, he wanted to hear from the Council. It would be for the purpose for going through the projects talked about already, but also including feeding the homeless and the additional monies saved over the year, for perhaps paying down PERS.

Councilor Crume stated he understood convening the Budget Board for dealing with PERS and the homeless, but the issues that the City Manager had presented could be handled at the Council level.

Councilor Palomo agreed. The Council could deal with things.

Councilor Justus stated the Budget Board was the group that allocated the funds. They should then reconvene to discuss how to amend the budget. They were talking about $172K, not $20K. He preferred taking it to the full Budget Committee. Prove to the citizens that city was transparent.

Mayor Verini asked if they wanted to reconvene the Budget Board for the capital projects, for feeding the homeless, and for PERS.

Councilor Crume stated he had no problem adding this, but he felt some things were simple and could be handled by the Council.

Council consensus to reconvene the Budget Board as soon as possible.

Ms. Ott reminded the Council that reconvening the Budget Board was not like the normal rules. They could not discuss next year's budget.

Councilor Crume asked how that would work with setting money aside for PERS?

Ms. Ott stated that was something that could potentially happen now, so it could be discussed. It could be done through a supplemental budget at the Council level.

Councilor Capron, along with Councilor Winebarger, asked that any meetings be scheduled after 5:00pm.

Councilor Crume stated the Council had asked the City Manager to bring to their attention the capital improvements projects that could be maybe postponed, but there was one more item he'd like added. He wanted them to look at the expense of sweeping the downtown. It was not fair to the rest of the community where the streets were swept three times a year – for the entire community – but it was done weekly downtown. He'd like the Budget Board to review that. It was like subsidizing those businesses down there at the expense of the rest of the citizens.

Councilor Justus stated it wasn't just downtown; it was sweeping the major arteries, and the Marketplace. He wasn't asking that the downtown area received special treatment, but as a city, the major arteries, such as Idaho, SW 4th, Oregon, East Idaho, they all needed to be swept more regularly than the residential area. There was more

traffic, more trash, and more debris. If they wanted to establish a city-wide policy for sweeping the major arteries, he was in agreement. But, if they weren't going to sweep downtown, he wasn't on board.

Councilor Capron asked if downtown was being swept more than the major arteries?

Mr. Leeper stated yes, it was.

Councilor Capron asked about putting the downtown area on the same schedule as the major arteries?

Councilor Justus stated he didn't want it to be the downtown to be swept only three times a year, but he agreed a schedule would be good.

Councilor Crume stated his business was on a major artery, on SW 4th, but how often was that area done?

Mr. Leeper stated it was done at least monthly.

Councilor Crume asked Mr. Leeper to review the past schedule to see when the area around his business had been swept.

Council consensus to add the street sweeping issue to the Budget Board discussion.

Resolution #2017-139: Sales Tax Cap Charter Amendment and Alternative
Adam Brown, City Manager, presented.

This item had not been reviewed by Mr. Sullivan, so he asked that it be carried over to the Council meeting of December 19, 2017.

Council consensus to carry this action forward to the December 19, 2017, Council meeting.

Resolution #2017-138: Creation of Marijuana Ad Hoc Committee
Adam Brown, City Manager, presented.

Councilor Crume stated they needed to create a committee from the community, with a Councilor as Liaison.

CAPRON moved, JUSTUS seconded, **to APPROVE RESOLUTION #3017-138, A RESOLUTION TO CREATE A MARIJUANA AD HOC COMMITTEE.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

CRUME moved, WINEBARGER seconded, **to APPOINT DAN CAPRON AS COUNCIL LIAISON TO THE COMMITTEE**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

NEW BUSINESS

Appointment to the Diversity Advisory Committee and the Airport Committee
Adam Brown, City Manager, presented.

There was on request for the Diversity Advisory Committee, and two for the Airport Committee.

CRUME moved, CARTER seconded, **to APPOINT MAGGIE WOOD TO THE DIVERSITY ADVISORY COMMITTEE, AND AMANDA VANSICKLE TO THE AIRPORT COMMITTEE AND JIM BAIN TO THE AIRPORT COMMITTEE IN THE ALTERNATE POSITION, TERMS OF OFFICE TO COINCIDE WITH THE ESTABLISHING ORDINANCES.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Ordinance #2733-2017: Amend Ontario Municipal Code 7-1; Add 7-1A (First Reading)
Cal Kunz, Police Chief, and Dallas Brockett, Ordinance Officer, presented.

CARTER moved, WINEBARGER seconded, **to CALL FOR THE QUESTION**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

CRUME moved, WINEBARGER seconded, **THAT THE CITY PUT IN A FEE EQUAL TO WHAT SALEM WAS CHARGING.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Consensus to postpone the First Reading pending the revisions by the City Attorney.

AGENDA AMENDMENT

WINEBARGER moved, CARTER seconded, **TO AMEND THE AGENDA TO PLACE JOHN FORSYTH UNDER NEW BUSINESS.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Field-Waldo Insurance Update
John Forsyth, Field-Waldo Insurance, presented.

Mr. Forsyth stated: Auto accidents went from 287 to 371 this year. It's going to hit the industry. They might have seen increases already, and they were going to continue to increase, and they'd probably increase for the next five years. It would take that long to catch up with the rates the way it was going. First, they sold 17.55 million new cars in 2016. The miles driven was 3.2 trillion miles driven, which was steadily increasing. Less unemployment, gas prices were lower, more people were driving. All those things combined created more on the road. Second, 660K drivers were using electronic devices while driving during daylight hours. That was from 2015, so it had probably gone up substantially. There were 885K crashes, 391K injuries, 3477 fatalities due to distracted driving. New auto technology, all the sensors, cameras, distance devices, so when a bumper was hit, they had to replace not just the bumper, but the sensors and cameras, too; same with windshields. Cost of parts had increased drastically. From 2005-2013, the average cost for a bodily injury liability claim increased 32.7%. Total loss claims increased by 12.7%. Next were cars that actually drove themselves. Companies were trying to determine how liability would work, since a person was still in those cars, but the manufacturer was carrying the burden. Auto insurance could end up being a thing of the past. It would be an interesting next few years. The city, overall, had a fantastic safety record.

Pay for Play Parks Model and Alternatives
Adam Brown, City Manager, presented.

This action was at the request of the Council. They were currently running at a deficit of $134K; that was what the city was paying, net, to keep the programs going. There were over 2,800 recreational opportunities. The concept was to increase the fees to cover the deficit, and what that would cost. Assuming no change in behavior, the city would have to increase, just for soccer, from $36/$41 to $84/$89. The challenge would be that there was a difference in behavior as prices increased. He calculated out price elasticity of demand on recreation services. This was an economist formula. On the bottom axis was the number of registrations, currently, there were 800 registrations at this $36 fee; as they increased the price, on this other axis, the demand decreased. They could debate on steep the slope was between the two, but it would have an effect. Taking the elasticity of demand and put it on price, on $2 increments. It tapped out at around the $73 range. Beyond that, they'd begin to lose revenue due to lower participation at that level. Some assumptions could be modified, which would affect the curve some. So, for the pay to play, they'd max out around $42K. They would not be able to get to the $134K. At a cost of $75, there would be 565 participants versus 850 at $36. That left a gap of $91K, and they'd be serving 300 less kids, but would be maximizing profit.

Some other opportunities for funding, the TOT, which they'd discussed earlier. There was about $103K a year in TOT money, and if they put that all towards recreation, there was still a $31K gap. That would be a policy decision, to designate Recreation as an allowed use.

Another option was eliminating people. At the end of it all, the goal was to provide services, not jobs. Sometimes the hard decisions had to made. There was currently a Recreation Assistant. Eliminating that position, they'd need to add back in some temp employee money. That was an estimated savings of $35K. The service level impact would include not having staff on site for every activity.

In looking at the TOT, currently there was available for the Splash Pad, $193K, and by the end of the year, there would be another $64K, for $257K. There was additional money for that from the hospital and from the fundraisers that had been done. They were also soliciting donations.

The TOT money was there to attract people to the community. They had to give people a reason to want to come to Ontario to live. He would recommend keeping that funding in place, and to not remove any of it. They could make changes going forward.

Another idea was to implement a parks fee, which was done already in multiple communities in Oregon. At $1 a month, it would raise $44,352. At $2 a month, they'd leverage $88K. Going to $3, they'd be almost whole in Recreation. With 3,696 water/sewer accounts, just like the street utility fee, it would create some pain with adding another fee, but it would hold Recreation intact.

Raising sponsorships was something else they could, and should, do. It wouldn't get them to $134K. They budgeted $19K for sponsorships. Doing a 10% increase would only see about $1,900 more. That would be asking businesses to increase by about $15. They might lose some businesses, but the ones they had already were committed and generous, but there was a point where they would say that was more than they could pay.

Councilor Winebarger asked if they had an approximate idea of how many businesses sponsored during the year for the Recreation Department. Where *all* the businesses asked to sponsor, or just the ones that had sponsored before? Were all the Ontario businesses asked to sponsor?

Debbie Jeffries, Recreation Manager, stated it was around 100. They were not all Ontario businesses; they were from all the surrounding communities. There was not time to ask all the Ontario businesses to sponsor. There were 80 soccer teams, at around $14K, which she could get done in around two days just by calling. Several years ago, they had sent letters out to all businesses asking for soccer sponsorship, but only received two responses back out of all that.

The pros and cons of a Recreation District: it would create another independent government agency, which become another taxing unit. Compression would go in to play on that. It was not adding an additional tax district; it was wedging it into the existing pie. All the other taxing districts would be reduced to create the new one.

Mr. Sullivan stated in an earlier answer he provided to Council was not correct. In compression, if a Recreation District was enacted, and it had a permanent property tax rate, and it wasn't doing it as a local optional election, just asking for a specific amount of money, then it wouldn't be subject to that compression.

Mr. Brown stated it would be an additional tax, on top of the already existing ones. The pro side of things was that it would encompass a broader tax base. There would also be potential for access to other facilities. They'd need to decide if they wanted to keep the assets with the municipality, and the Parks & Recreation District would use the assets in each community, or something different.

The Council had seven different opportunities of ways to mix and mingle those to get to the $134K.

Councilor Crume asked if Debbie had a guess of in-city players vs. out-of-city players.

Ms. Jeffries stated it was about 85/35 in town. Most were 8C kids.

Councilor Crume stated the Ontario taxpayer was supplementing out of city kids to play. That needed to be looked at. The $5 out of town fee probably didn't cover the difference of reality. There should be a larger spread in fees between out of city and in city players, to cover the subsidy. He had sponsored several years, and a 10% increase in sponsorship fee should really affect anyone. The plaque they received for sponsorship should be eliminated.

Ms. Jeffries stated those were provided gratis by the photographer.

Councilor Crume stated the parks fee, when that had been discussed during the budget meetings, for him, as a Councilor, and in listening to the constituents; it was easy to explain why UB increased $8, because everyone being billed used Ontario streets. But, with a parks fee, there were a lot of people in this town where a $1 fee would not be getting any use out of kids playing soccer.

Mr. Brown stated the parks fee would be used for park maintenance; then removing the parks maintenance money from where it was now and putting it into recreation.

Councilor Crume stated there would be some discontent with adding a parks fee. It would be difficult to eliminate the Recreation Assistant position, but he'd like to be creative in ways to keep that position. Coming up to the $210K that had been dedicated to the Splash Pad, but then taking the yearly income to develop a hybrid between paying for recreation and adding to the Splash Pad dollars, whatever that percentage would be.

Councilor Capron asked if Councilor Crume paid on the school bond?

Councilor Crume stated he did.

Councilor Capron asked if Councilor Crume had any kids attending school?

Councilor Crume stated he did not.

Councilor Capron asked what Councilor Crume got out of it? Parks would be the same thing. They could implement it and sunset it upon the 1% passing.

Mayor Verini stated they would also be facing some public safety issues. There had been three shootings over the past three weeks. They were going to have to seriously consider dipping into the additional fees that were placed on the citizens. When discussing the parks fee, and public safety, the street fee, the citizens were paying for people that were coming into our community, using all of those services, and not paying a cent for them.

Councilor Palomo stated if they did a $2 park fee, which brought in $88K, correct. That would cover the Recreation Assistant. He wouldn't mind paying $2 to keep that position. That was like one cup of coffee.

Councilors Winebarger, Carter, and Justus agreed.

Councilor Palomo stated soccer brought in people from out of town. They spent money here.

Mayor Verini agreed, it looked good on the surface. But, for someone on a fixed income, the $8 fee was tough, and an additional $2 fee would be even tougher. If they had to go into Public Safety and add an additional fee, that was really strapping the citizens.

Councilor Capron stated the Budget Committee had weighed in on the implementation of the $8 street fee, maybe they should bring this fee before the Committee, too. Get their input.

Mayor Verini stated that was a good idea.

Councilor Crume reminded them that the overall concept was to attempt to bring the Recreation Department flush, to where there was no city subsidy. They didn't *have* to do that, but it was a good goal to have.

Consensus to take the issue to the Budget Committee. (7/0/0)

Mr. Brown stated it would be responsible to raise the registrations for this year. Not too much, but making a larger differential between out of city and in city players. Maybe increase out of city $10, and in city $8. They could also ask for a 10% increase in sponsorships. Both actions could be done now. Raising fees would take a resolution.

Mayor Verini asked to have that resolution brought back for Council action.

Councilor Winebarger suggested letting the Public Hearing take place before moving on with any other city action.

PUBLIC HEARING

Residential Rehabilitation Community Development Block Grant

It being the date advertised for public hearing on the matter of the Residential Rehabilitation Community Development Block Grant, the Hearing was declared open. There were no objections to the city's jurisdiction to hear the action, no abstentions, ex-parte contact, and no declarations of conflict of interest.

Kathy Markee, Program Representative, Community in Action, presented. By statute, was required to read the Public Notice and Notice of Public Hearing into the record:

Public Notice and Notice of Public Hearing

The City of Ontario, Malheur County is eligible to apply for a 2017 Community Development Block Grant from the Oregon Business Development Department. Community Development Block Grant funds come from the U.S. Department of Housing and Urban Development. The grants can be used for public facilities and housing improvements, primarily for persons with low and moderate incomes.

Approximately $11.5 million will be awarded to Oregon non-metropolitan cities and counties in 2017. The maximum grant that a city or county can receive is $2,500,000.

The City of Ontario is preparing an application for a 2017 Community Development Block Grant from the Oregon Business Development Department for the Harney Malheur Residential Housing Rehabilitation Initiative, in Malheur County. It is estimated that the proposed project will benefit at least 40 persons, of whom 100% will be low or moderate income.

A public hearing will be held by the Ontario City Council at 12:00 p.m. on December 7th at the City Council Chambers at Ontario City Hall. The purpose of this hearing is for the City Council to obtain citizen views and to respond to questions and comments about: community development and housing needs, especially the needs of low- and moderate-income persons, as well as other needs in the community that might be assisted with a Community Development Block Grant project; and the proposed project.

Written comments are also welcome and must be received by December 7th at 444 SW 4th Street, Ontario. Both oral and written comments will be considered by the City Council in deciding whether to apply.

The location of the hearing is accessible to persons with disabilities. Please contact Marcie Siriwardene/Planning Dept. Tech at 541-881-3224 if you will need any special accommodations to attend or participate in the meeting.

More information about Oregon Community Development Block Grants, the proposed project, and records about the City of Ontario past use of Community Development Block Grant funds is available for public review at 444 SW 4th Street in Ontario during regular office hours. Advance notice is requested. If special accommodations are needed, please notify Marcie Siriwardene, Planning Dept. Tech at 541-881-3224 so that appropriate assistance can be provided.

Permanent involuntary displacement of persons or businesses is not anticipated as a result from the proposed project. If displacement becomes necessary, alternatives will be examined to minimize the displacement and provide required/reasonable benefits to those displaced. Any low- and moderate-income housing which is demolished or converted to another use will be replaced.

Ms. Markee stated that ran as a Public Notice of a Public Hearing in the Argus Observer on November 26, 2017, both in English and Spanish.

The City of Ontario could apply for the CDBG in the amount of $400K. It would be used for residential rehabilitation of owner-occupied homes in the City of Ontario. It was anticipated that the grant would allow for repairs to 22.4 homes. The funds would be granted to homeowners and no program income would be generated. Also, no activities would result in the displacement of the homeowner. Some of those activities could installation and/or repair of sanitary water; waste disposal systems, together with ready plumbing and fixtures, which would meet local health department requirements; energy conservation measures such as insulation, combination screens/storm windows/doors; repairing or replacing heating systems; electrical wiring; repair or replacement of a roof; replacing severely deteriorated siding, porches, or stoops; and alteration of the home's interior or exterior to provide greater accessibility for any handicapped person. The amount spent on each home was limited to no more than 50% of the value of the structure. The amount for each house could not ever exceed $24,999. Low to moderate income owner occupied homeowners were the ones eligible to apply.

The Hearing was opened for public testimony.

Councilor Crume asked if it was possible to have pictures showing the before and after projects.

Ms. Markee had those ready for them.

Opponents: None.
Proponents: None.

There being no Proponent and no Opponent testimony, the Hearing was closed.

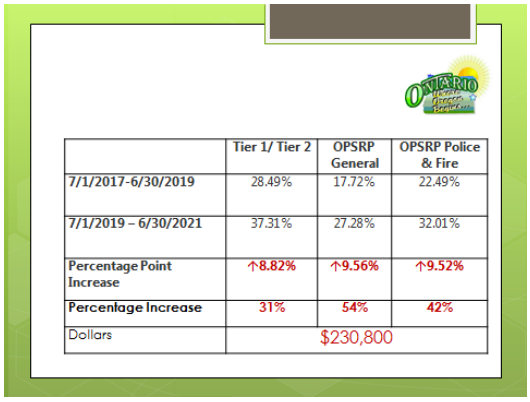
CARTER moved, CRUME seconded, **THAT THE CITY OF ONTARIO ACCEPT THE RESIDENTIAL REHABILITATION COMMUNITY DEVELOPMENT BLOCK GRANT.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Mr. Brown gave kudos to Ms. Markee for her amazing, outstanding work on these projects.

NEW BUSINESS-CONTINUED

PERS Biennium Estimates
Kari Ott, Finance Director, presented.

Mr. Brown stated Ontario was the second highest in the state for the next biennium, behind Douglas County.



	Tier 1/ Tier 2	OPSRP General	OPSRP Police & Fire
7/1/2017-6/30/2019	28.49%	17.72%	22.49%
7/1/2019 – 6/30/2021	37.31%	27.28%	32.01%
Percentage Point Increase	↑8.82%	↑9.56%	↑9.52%
Percentage Increase	31%	54%	42%
Dollars	$230,800		

Mr. Brown stated the figures had not been divided out by funds, but they had rounded off the cost of it. It was for the 2019-21 biennium. It would increase costs for $230,800. This was another strong case for creating a side account with year-end savings. That account could reduce that, even if nothing else was done, due to the present value of it. These numbers were only estimates.

Councilor Capron verified it had increased around $192K for this coming budget year?

Mr. Brown stated it was $128K.

Councilor Capron stated this would be on top of that, for the year after that, another $230K.

Mr. Brown stated yes, in June, 2019.

Mayor Verini stated that was on top of the $95K increase before that.

Mr. Brown stated they would be have been paying over $1M a year towards PERS after this.

Councilor Crume verified the $300K was for the employee, and the rest was to make up the lack of Salem's ability to invest properly? If they didn't have the unfunded mandate, the cost would be $300+.

Mr. Brown stated yes.

Councilor Winebarger stated based on her meeting at LOC earlier, there were a few different things in front of the Governor to look at, which she had emailed out to the Council. That side account they were looking at possibly after the legislative session, having a 25% match as well for whatever was put into the account, that could be applied for. That would help some. But 25% of $400K wasn't a lot of money, but it would be worth applying for. They were also looking at things to decrease the cost of the total unfunded liability throughout the state. All of those were in front of Governor Brown.

Mayor Verini stated in looking at that one slide, the 1¢, to help out the city….

Councilor Crume asked that next time something like this was presented, to please make sure the Council had throw-up bags, too.

Mayor Verini stated he didn't know how they could get this information out to those 1,500 people, let alone the 3,000 that voted. The city needed the community to understand the challenge that was being faced.

DEPARTMENT HEAD UPDATES

Finance Department Monthly Report
Kari Ott, Finance Director, presented. (Attached)

Parks & Recreation Department Quarterly Report
Deferred to December 19, 2017.

Fire Department Quarterly Report
Deferred to December 19, 2017.

HAND-OUTS/DISCUSSION ITEMS

Airport Operating Manual
Mr. Brown stated that was for information reading; they'd bring it back to the Council Meeting on the 19th.

Department Stats
Public Works: Oct 22-Nov 17, 2017 (Attached)
Ontario Fire & Rescue: Nov, 2017 (Attached)
Code Enforcement: Oct, 2017 (Attached)
Ontario Police: Oct, 2017 (Attached)

Minutes
County Court: Nov 1, 2017 (Attached)
SREDA: 10-04-2017, and other SREDA documents (Attached)

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

Councilor Capron stated public safety relied on the police and fire departments, and lately, he felt like the police and fire were less safe themselves. He'd seen on the news about Fentanyl, a little would hurt. There was a drug dog on the force now, but if he got even a whiff of Fentanyl, they might not have a drug dog anymore. There was something available along the lines of snake bite kits, if the dog came into contact with Fentanyl, the dog could receive the shot and be alright. They needed to get that. It would cost, but for the drug dog, the police offices, and the fire fighters, if there was Fentanyl around, they would be gone. It was very serious. It was coming through here.

Chief Kunz stated it was scary. He was hoping they were looking at a minimum cost for purchasing the needed equipment to combat the drug.

Councilor Crume asked to be kept updated on how the drug dog was working out.

Councilor Capron stated COPs had a potluck last night, and the members were able to see the drug dog work the hall. The dog got into Chambers, and left all the food alone in his search for hidden drugs.

Councilor Justus stated Revitalize Ontario sponsored the window decorations in the downtown area. He encouraged everyone to like Revitalize Ontario on Facebook, and to vote for their favorite window.

Councilor Carter thanked Councilor Winebarger for sending out all the information from her LOC meeting, and also for representing Ontario on the LOC Board. In one of the LCO books, there had been information about the TOT issue; maybe a review of that would provide information to them.

Councilor Winebarger stated all that information was on the LOC website under LOC Data.

Councilor Winebarger asked Chief Kunz if the offices carried Narcan in their cars, and if they didn't, why not?

Chief Kunz stated no, they didn't, not currently.

EXECUTIVE SESSION

Executive Session: ORS 192.660(2)(i)
An executive session was called at **3:34 p.m**. under provisions of ORS 192.660(1)(i) *to review and evaluate the performance of an officer, employee, or staff member unless an open meeting is requested.* The Council reconvened into regular session at **4:10 p.m.**

AMEND AGENDA

WINEBARGER moved, CARTER seconded, **to AMEND THE AGENDA TO INCLUDE THE DISCUSSION REGARDING THE CITY MANAGER EVALUATION.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

City Manager Evaluation
Mayor Verini stated they normally gave up to a 5% bonus for a good evaluation. He'd like to propose, with the agreement with the City Manager, to change that policy and take that 5% and put it against his HSA.

Mr. Brown stated there was room to add to his Health Savings Account, but not to a full 5%. The Finance Director had budgeted a COLA for him, and he hadn't taken it because it was not in his contract. That money was still in the budget. It would have been $1,800 for the COLA, or $150 a month. That $150 going into his HSA would be nice.

Councilor Capron asked for clarification on the bonus. Would they discuss how much, was it set, how did it work?

Mr. Brown stated for employees, they received an annual evaluation. Based on that score, they could receive from 0-5%. For him, it was not set like that. There was a formula for non-represented employees.

Mayor Verini stated that formula had been used on the City Manager before.

Councilor Justus stated he was not going to say that Mr. Brown didn't deserve a raise, BUT, they had optics to worry about right now – severe optics. For the Council to give out a bonus or raise right now, the optics of it were not good. He was all about opening this back up in June, or even April, to talk about budgeting more money for him in the next fiscal year, but right now, he would have to vote no because he didn't want to give anyone on the opposition side any food to fan that fire. He understood that he deserved it, but politics were politics, and they had to play like everyone else.

Mayor Verini stated that was true; however, they had a situation that brought an asset to the community, and who had saved a tremendous amount of money. If they offered to put some monies into his HSA, if any community m member was going say that was a bad thing for any person, forget the bonus, forget that type of thing, but he'd rather take the hit from the community to give the City Manager a little additional money for what he's done for this community.

Councilor Justus stated the hit the Mayor was talking about was $3.5M. They had to start laying the pavement to get the 1% tax passed or, in April, when they convened the Budget Committee for next year, they were going to be facing all kinds of crazy. They had to look at getting the sales tax passed, and he was all for doing everything they could to get the best optics. Give that sales tax the opportunity to get passed.

Mayor Verini stated he would be more in agreement if the Council did something like revisiting this in May, after the vote, and doing a retroactive action.

Councilor Justus stated the City Manager's anniversary date was June 6th. He would be fine revisiting it then – after the vote.

Councilor Winebarger stated her agreement, and yes, it was probably a good idea to give a ton of money because it would look bad, but at the same time, she wanted to give Adam his COLA. If all the other non-reps took it but he didn't because it wasn't in his contract, that wasn't fair. She'd love to give a merit raise, too, but she understood the issues. Was there any flexibility to change vacation time, or some PTO? Stack his coffers a bit?

Councilor Carter liked that idea. He hadn't taken the COLA in July, but he had a right to that. Giving it in vacation time would be a way to offset that, or maybe sick time.

Councilor Crume asked what the non-reps had received for COLA, and when was that done?

Mr. Brown stated they had received 1.5% on July 1st.

Councilor Crume asked why Mr. Brown had not taken it.

Mr. Brown stated he was the only contract employee. If it wasn't in the contract, it was applicable to him.

Mr. Sullivan stated he agreed with Adam's interpretation. If it wasn't in the contract, you couldn't assume it was entitled to it. They could do a contract amendment anytime.

Mayor Verini stated managers in the past had received it, and they were on contract.

Mr. Sullivan stated the Council had made the decision to allow that to occur, but it was not something that Mr. Brown brought up to the Council until the current discussion.

Councilor Winebarger asked if Mr. Brown had done the Department Head evaluations, and were merit increases given.

Mr. Brown stated they were done.

Councilor Winebarger stated if everyone else got a merit raise because they had done well, the City Manager should, too. She would like to look into a merit raise.

Mr. Brown voiced his appreciation for her comments. In looking at the percentage in his salary, he didn't want anything that big. He was very cognizant of the optics.

Councilor Justus stated if they really wanted to look at optics, and they offered and/or approved a 5% raise, and Adam said no because he understood the situation, but he would be okay with 1.5%, now, it would be good optics. He could support that.

Councilor Winebarger asked about a 2%.

Mr. Brown stated the HSA was good for his family. The $150 a month, which would be the COLA, and a one-time something small would be fine, too. He liked Councilor Justus's idea.

Councilor Winebarger respected Mr. Brown's comments. That reinforced the reasons he received such high scores in his evaluation.

Councilor Crume suggested a COLA given, retro back to July 1st. The optics fit.

Councilor Justus did not like the retro thing. If it was important to Adam in July, he should have brought it forward in July.

Councilor Carter asked about the $150 a month to go towards insurance, and then a 2.5% COLA.

Mr. Brown stated that was still too high.

Councilors Carter and Winebarger asked about 2% then.

Mr. Sullivan stated they were talking about giving him a COLA that was higher than what other employees received.

Mr. Brown stated he would prefer the $150 into his HSA.

Councilor Justus stated if they offered up 5% and Adam replied with no, only 1.5%...

Councilor Winebarger suggested the 1.5% increase and the $150 HSA contribution, too.

Councilor Justus asked how the city did their COLA and raises.

Mr. Brown stated that was something he had begun to work on. The reality was that with COLA, insurance was going to increase 5%, so that was on top of the $300 paid monthly by the employee. His challenge was that once they came in, there was no way to increase a salary. They remained at that salary until forever because there was no pay scale. He couldn't reward high performers, or slow down non-performers, other than termination. He'd like to do would be to develop a pay scale based on the positions and the range. These employees got a merit increase, but that was it. There was no opportunity to move up within their job. As they got better at their job, they still received the same merit each year. No one had ever set up a different system. He knew how to do it; just needed the time.

Councilor Justus stated if they gave him 1.5%, his paycheck would increase over the year, or would he get one check, like a bonus.

Mr. Brown stated he was alright with the one time and not adding it to his base.

Councilor Winebarger stated she was not okay with that. If everyone got a COLA, he should to. She'd like to see the amount he'd missed out on since July put into his HSA, and still give him a COLA on his monthly check.

Mr. Sullivan asked for clarification. It wouldn't be retroactive. The Council would be designating $1,800 to go into the HSA, and then a contract amendment to give Adam $150 COLA for the remainder of the budget year.

Councilors Winebarger and Carter stated yes.

WINEBARGER moved, CARTER seconded, **to ALLOCATE $150/MONTH, UP TO $1,800, TO THE CITY MANAGER'S HEALTH SAVINGS ACCOUNT, ALONG WITH A 1.5% COST OF LIVING INCREASE FOR THE REMAINDER OF THE 2017-2018 FISCAL YEAR.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-no; Capron-no; Winebarger-yes; Verini-yes. Motion carried 5/2/0.

Councilor Justus would like to discuss the City Manager's time away for personal time and educational trainings at a later time.

ADJOURN

CRUME moved, JUSTUS seconded, **THAT THE MEETING BE ADJOURNED**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

ACCEPTED: **ATTEST**

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Ronald Verini, Mayor Tori Barnett, MMC, City Recorder