

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



**STUDY SESSION AGENDA
CITY COUNCIL – CITY OF ONTARIO OREGON
THURSDAY, NOVEMBER 8, 2018, 12:00 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: Betty Carter _____ Marty Justus _____ Ramon Palomo _____ Dan Capron _____
Thomas Jost _____ Norm Crume _____ Mayor Ron Verini _____

2) PLEDGE OF ALLEGIANCE

This Agenda was posted on November 6, 2018. 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) PUBLIC COMMENTS Citizens may address the Council; however, Council may not be able to provide an immediate answer or response. Our of respect to the Council and others in attendance, please limit your comment to three (3) minutes. Please state your name and city of residence for the record.

5) NEW BUSINESS

- A) Resolution #2018-138: Establish Lieutenant Position in Police Department
- B) Resolution #2018-139: Shop with a Cop Grant
- C) Ordinance #2745-2018: Beekeeping Ordinance
- D) Commercial Land Lease: Bain Aviation
- E) Moore Park Lease Renewal
- F) Letter of Support for Rail Station
- G) Change to Airport Operations Manual - Section 1.7(B)
- H) Bid Award: Boise River Fence Project at Ontario Municipal Airport
- I) Noncollectable Delinquent Account Write-Offs

6) DEPARTMENT HEAD UPDATES

- A) Monthly Report: Finance Department (September 2018)
- B) Quarterly Report: Jacobs/Public Works
- C) Quarterly Report: Airport
- D) Quarterly Report: Community Development

7) HAND-OUTS/DISCUSSION ITEMS

- A) Financial Policies
- B) Agenda:
Public Works Committee 11-14-2018

- C) Monthly Stats:
Jacobs/Public Works
Fire Department
Police Department
Code Enforcement
- D) Minutes:
County Court 09-25-2018
County Court 09-26-2018
County Court 10-03-2018
County Court 10-17-2018
SREDA 10-30-2018

8) CORRESPONDENCE, COMMENTS AND EX-OFFICIO REPORTS

9) EXECUTIVE SESSION

- A) ORS 192.660(2)(d) Negotiating Strategy with Fire Union
- B) ORS 192.660(2)(e): Real Property

10) ADJOURN



**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Cal Kunz, Police Chief

THROUGH: Adam J. Brown, City Manager

SUBJECT: **RESOLUTION #2018-138: ESTABLISH LIEUTENANT POSITION IN POLICE DEPARTMENT**

DATE: November 1, 2018

PROPOSED MOTION:

I MOVE THE CITY COUNCIL APPROVE RESOLUTION #2018-138, A RESOLUTION ESTABLISHING THE POSITION OF ONE FULL-TIME LIEUTENANT POSITION AND ELIMINATING ONE FULL-TIME POLICE OFFICER POSITION IN THE ONTARIO POLICE DEPARTMENT.

SUMMARY:

In June, 2018, the City Council adopted the fiscal year 2018-2019 budget, which reflected funding the police force staff at the same levels as budgeted in 2017-2018.

The Ontario Police Department is requesting authorization to establish the position of Lieutenant, to allow them to promote an existing full-time police officer into the new position, and to promote an existing officer into a Sergeant position. This would keep the department at the current staffing level.

BACKGROUND:

The Ontario Police Department has historically been understaffed, and has been without a Lieutenant or Captain position for several years. Through departmental savings and the delay of replacing an officer who resigned in 2017-2018, the Department believes there are enough budgeted funds to create the Lieutenant position and promote a new Sergeant from within.

CURRENT SITUATION:

Historically, the Captain/Lieutenant positions have been the supervisors to the Sergeants. This allows the Chief to oversee all day to day operations, seek opportunities for cutting costs, research grant options. The Chief would also work with the Lieutenant on improving established policies and procedures.

ANALYSIS:

- A. **FINANCIAL** The increase in cost for a Lieutenant would be approximately \$3,424.27, and a Patrol Officer to Sergeant would be approximately \$15,500. The Department would be in a position to absorb this increase as there is currently an unfilled position in the Department, resulting in a savings of \$8,956 each month. To date, there has been a savings of \$35,824. (Jul-Oct, 2018)
- B. **TIMING** The Department would like to move on this as quickly as possible to get the promotion process started, and get an individual into the position.
- C. **POLICY/LEGAL** None.

ALTERNATIVES:

The Council could deny the request and the Department would continue as currently operating.

RECOMMENDATION:

Staff recommends approval of Resolution #2018-138.

ATTACHMENTS:

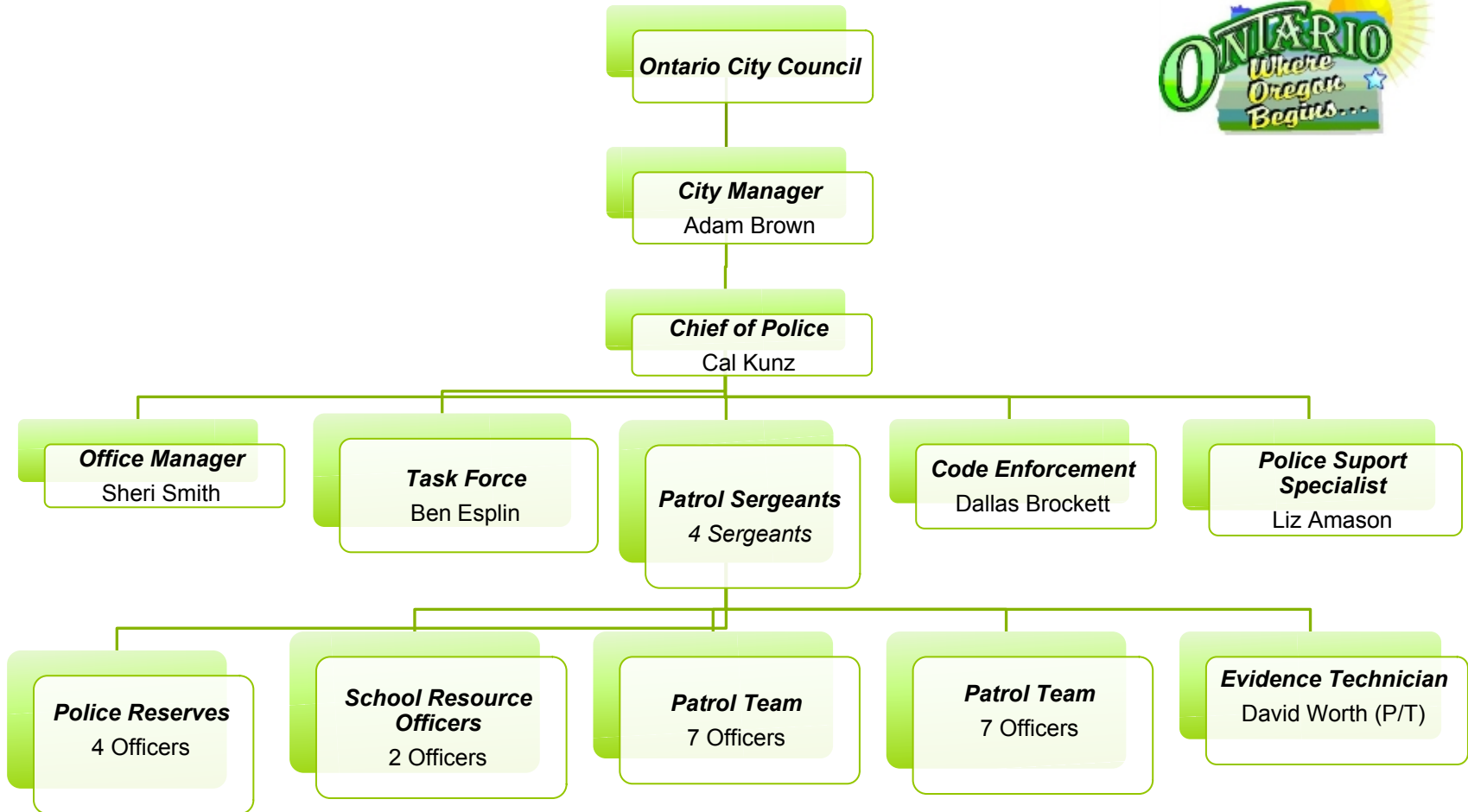
- 1. Police Staff Report Nov 8
- 2. RES_CC_Resolution #2018-138_11 6 2018

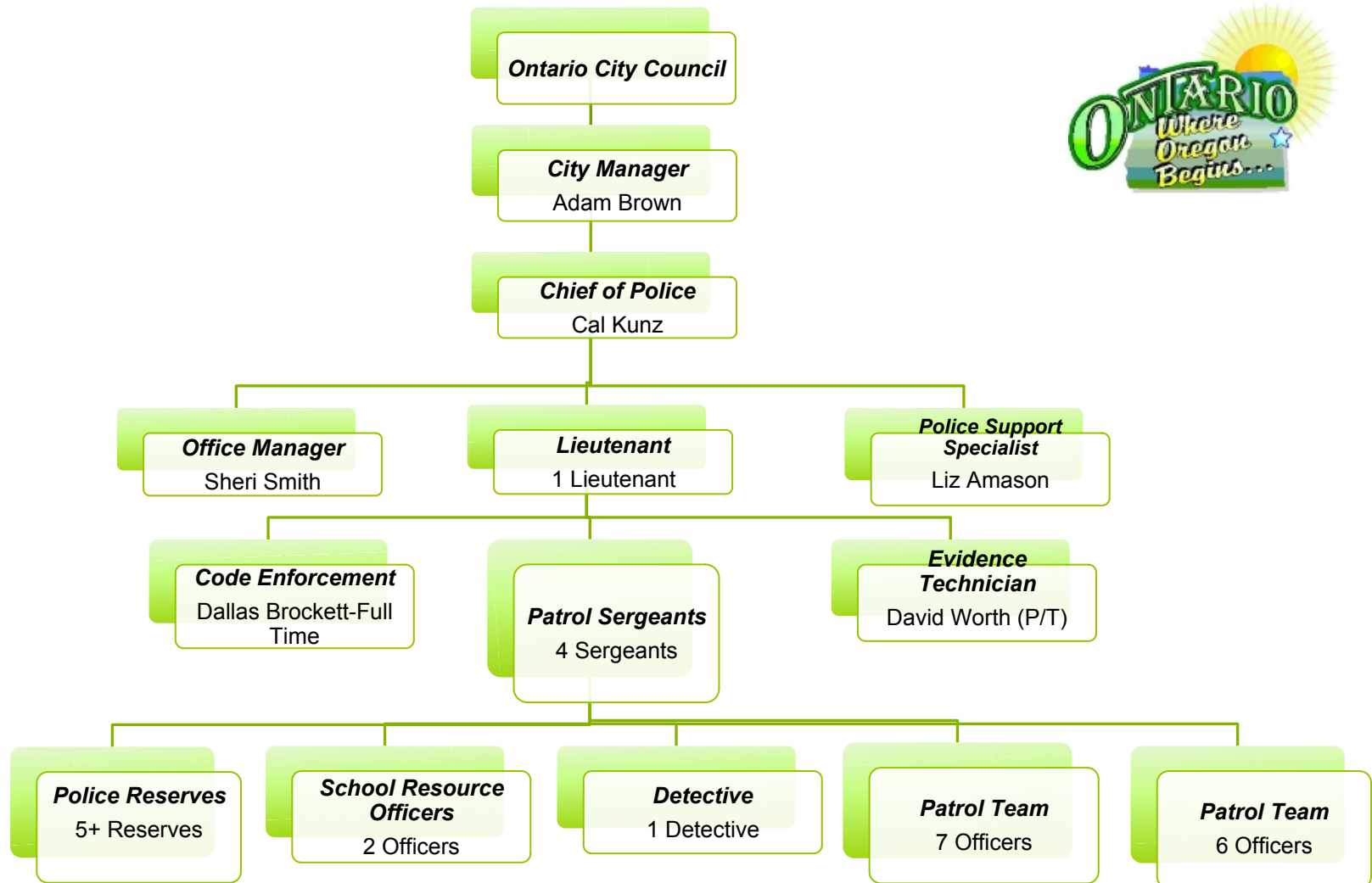


11/08/2018

Police Department

Resolution #2018-138
Staff Report





[Commitment to providing superior quality and service]



Suggested Organizational Changes

- 1 FTE Officer position changes to 1 FTE Lieutenant
(No additional staffing)
- Task Force Officer reassigned as detective.
- Adding additional reserve officer(s) within current budget.

[Efficiency in providing services]



- Lieutenant position
 - Designated second in command
 - More efficient span of control
 - Efficiency in purchasing
 - Improve polices/procedures
 - Ability to explore grant opportunities
 - More time in the field for sergeants
- Detective position
 - Available for citizens for follow-up at the police department
 - Focused on OPD daily priorities and ongoing investigations
 - Ability to respond to field, if needed
 - Continued working relationship with area law enforcement
- Additional reserve officers to serve our community

Financial Considerations



COSTS

- Promote a sergeant to lieutenant
- Promote an officer to fill sergeant vacancy

CURRENT FISCAL SAVINGS

- Vacant position savings

POTENTIAL SUSTAINABLE SAVINGS

- Carry over from current fiscal
- Ability to explore more grant opportunities
- Efficiency in purchasing supplies
- Reduction in supervisor overtime

Questions/Comments?



RESOLUTION #2018-138

**A RESOLUTION ESTABLISHING THE POSITION OF ONE FULL-TIME LIEUTENANT
IN THE ONTARIO POLICE DEPARTMENT AND ELIMINATING ONE FULL-TIME POLICE
OFFICER POSITION WITHIN THE ONTARIO POLICE DEPARTMENT**

- WHEREAS,** The Ontario Police Department would like to create a Police Lieutenant position, promoting from within the current ranks; and
- WHEREAS,** The Department has realized a cost savings due to delaying the replacement of a patrol officer in the 2018-2019 fiscal year; and
- WHEREAS,** Turning one full-time officer into a full-time Lieutenant and promoting another officer to Sergeant would cost approximately \$19,500 in the current fiscal year; and
- WHEREAS,** The Police Department will have enough budget appropriations to cover the additional costs in 2018-2019.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Ontario City Council, to

Approve the creation of the position of one full-time lieutenant in the Ontario Police Department and eliminate the position of one full-time police officer.

EFFECTIVE DATE: Effective immediately upon passage.

PASSED AND ADOPTED by the City Council of the City of Ontario this ____ day of November, 2018, by the following vote:

AYES:

NAYES:

ABSENT:

APPROVED by the Mayor this ____ day of November, 2018.

ATTEST

Ronald Verini, Mayor

Tori Barnett, MMC, City Recorder



**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Kari Ott, Finance Director

THROUGH: Adam J. Brown, City Manager

SUBJECT: RESOLUTION #2018-139: SHOP WITH A COP GRANT

DATE: November 1, 2018

PROPOSED MOTION:

I MOVE THE CITY COUNCIL ADOPT RESOLUTION #2018-139, A RESOLUTION TO RECOGNIZE SHOP WITH A COP GRANT FUNDS RECEIVED AND EXPENDITURE OF THOSE FUNDS.

SUMMARY:

Attached is the following document:

Resolution #2018-139

BACKGROUND:

For several years, the Ontario Police Department has participated in Shop with a Cop, a program to work with high-risk kids during the Christmas season. Law enforcement officers team up with kids and shop for presents for the child and their family. The program is being administered by Help Them to Hope.

CURRENT SITUATION:

The grant funds were not budgeted and a resolution is necessary to make an adjustment to do so.

ANALYSIS:

- A. **FINANCIAL** \$2,500 will be appropriated within the Grant Fund to pay for the Shop with a Cop program.
- B. **TIMING** The Ontario Police Department would like to appropriate the funds as soon as possible as the holiday season is approaching quickly.
- C. **POLICY/LEGAL** A resolution approved by the City Council is required to expend the

funds as per ORS 294.

ALTERNATIVES:

The Council could take no action on this matter; this would cause the funds to be returned to Walmart and the Shop with the Cop program would not happen in 2018.

RECOMMENDATION:

Staff recommends the City Council approve Resolution #2018-139.

ATTACHMENTS:

1. Reso #2018-139 - Shop with a Cop Grant



RESOLUTION #2018-139

A RESOLUTION TO RECOGNIZE SHOP WITH A COP FUNDS RECEIVED AND EXPENDITURE OF THOSE FUNDS

WHEREAS, The Ontario Police Department received unexpected grant revenue from Walmart for the “Shop with a Cop” program; and

WHEREAS, The Grant Fund budget for fiscal year 2018-2019 was adopted without the knowledge of such funds; and

WHEREAS, The Ontario Police Department has received \$2,500 in such funds; and

WHEREAS, The city desires to modify the 2018-2019 budget to receive and expend the funds.

NOW THEREFORE, THE CITY OF ONTARIO RESOLVES to approve the adjustments to the fiscal year 2018-2019 budget:

Line Item	Item Description	FY 17-18 Budget	Amount of Change	Adjusted Budget
GRANT FUND				
010-000-456195	Shop with a Cop	\$ -	\$2,500	\$2,500
010-038-714160	Police Grants Projects	\$ -	\$2,500	\$2,500

PASSED AND ADOPTED by the Common Council of the City of Ontario this _____ day of _____, 2018, by the following vote:

AYES:

NAYS:

EXCUSED:

ABSENT:

APPROVED by the Mayor this _____ day of _____, 2018.

ATTEST:

Ronald Verini, Mayor

Tori Barnett, MMC, City Recorder



**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Adam J. Brown, City Manager

THROUGH: Adam J. Brown, City Manager

SUBJECT: ORDINANCE #2745-2018: BEEKEEPING ORDINANCE

DATE: October 11, 2018

PROPOSED MOTION:

I MOVE THAT THE ONTARIO CITY COUNCIL APPROVE ORDINANCE #2745-2018, AN ORDINANCE ALLOWING BEEKEEPING WITHIN THE CITY LIMITS OF THE CITY OF ONTARIO UNDER RESPONSIBLE BEST PRACTICES.

SUMMARY:

Backyard beekeeping occurs throughout many local communities across the state and country. Beekeeping even occurs in metropolitan environments. Municipal regulation of beekeeping practices has trended towards unrestricted allowance. State House Bill 2653, passed in 2015, requires local government to *"review existing ordinances and determine whether to adopt new ordinances relating to residential beekeeping within three years of the effective date of this 2015 Act ."* The expiration of that time is January 1, 2019. Ontario has not reviewed their ordinance yet.

BACKGROUND:

Current city ordinance prohibits beekeeping within the city limits in Section 6-2-19-(A). This prohibition is, generally speaking, obsolete with current best practices in municipal communities, particularly ones surrounded by agricultural communities. As we can all attest, just because the city prohibits bees, does not mean that we don't have bees in our community. Bees know no boundaries. Bees can travel several miles to find pollen.

The Oregon State University Extension Office Foreword to the model bee ordinance acknowledges that honeybees are non-aggressive. Most honeybees are not aggressive unless they feel threatened.

Sustainweb.org states that *"it is estimated that one third of the food that we consume each day relies on pollination mainly by bees, but also by other insects, birds and bats."* Bees are an important part of Ontario's agricultural economy.

CURRENT SITUATION:

There are people everywhere, including in our community, who are allergic to bee stings. There are also people who are allergic to wasps, yellow jackets, or other animals that sting. Prohibiting residential beekeeping does not eliminate the danger of bee stings. It is important to acknowledge this fact in a review of the ordinance. Modern medicine has greatly reduced the lethal effects of an allergic reaction to bee stings. Many insurances cover the cost for an individual, with any lethal allergy, to carry an EpiPen that can prevent anaphylactic shock.

Conversely, local honey is also widely know as a way to help people overcome allergies to local plants. It is a natural anti-histamine that can be effective for a wide range of respiratory diseases, ranging from asthma to chronic sinus infections.

Bees are an important part of the agricultural community that surrounds the City of Ontario. Beekeeping within the city would not only benefit the city, but will have even more benefits to our agricultural community and economy.

Staff reviewed the Model Beekeeping Ordinance for Oregon Cities produced by the League of Oregon Cities and Oregon State University Extension Service. The model ordinance provides an adequate balance of regulation and freedom for hobby beekeepers within a municipal setting. Staff proposes the city adopt the model ordinance as revised to amend the city code.

ANALYSIS:

- A. **FINANCIAL** This will generate very little revenue as only beekeepers with more than 5 hives will be required to pay a registration fee commensurate with Oregon State Law. The fee, which cannot be higher than the state fee, will be \$10 annually plus \$.50 per hive, only for persons with more than 5 hives. The modest fees collected will be attributed to the general fund.
- B. **TIMING** By state law, the city must review this ordinance by January 1, 2019. The city is not required to change their current law, only review the law.

C. **POLICY/LEGAL** ORS §602.045 states that a local government may:

1. Adopt ordinances consistent with the best practices described in ORS §602.035; and
2. Charge a reasonable fee for registering hives in residential areas. The fee that a local government charges for registering hives in residential areas may not exceed the amount charged under State Department of Agriculture rules for the registration of colonies that are subject to fees under ORS §602-.090 (3)

ALTERNATIVES:

Take No Action: Taking no action will still be adhering to the State law requiring local governments to review their policies and ordinances. Beekeeping will continue to be banned within the City of Ontario.

RECOMMENDATION:

The City Manager recommends approval of Ordinance #2745-2018, an ordinance allowing beekeeping within the city limits of the City of Ontario under responsible best practices.

ATTACHMENTS:

1. Ord#2745-2018



ORDINANCE #2745-2018

AN ORDINANCE ALLOWING BEEKEEPING WITHIN THE CITY LIMITS OF THE CITY OF ONTARIO UNDER RESPONSIBLE BEST PRACTICES

- WHEREAS,** Honeybees are of benefit to mankind, and to Oregon in particular, by providing agriculture, fruit, and garden pollination services, and by furnishing honey, beeswax and other useful products; and
- WHEREAS,** Oregon is an agricultural based community, benefited by the byproducts associated with beekeeping throughout the United States; and
- WHEREAS,** Domestic strains of honeybees have been selectively bred for desirable traits, including gentleness, honey production, reduced swarming, and nonaggressive behavior, characteristics that are desirable to foster and maintain; and
- WHEREAS,** Gentle strains of honeybees can be maintained within populated areas in reasonable densities without causing a nuisance if the bees are properly located and carefully managed and maintained; and
- WHEREAS,** The State of Oregon requires all local governments to review existing ordinances and determine whether to adopt new ordinances related to residential beekeeping by December 31, 2018.

Now, Therefore, Be It Ordained and Enacted by the Ontario City Council that the Beekeeping Ordinance is approved and that the city amends the city code as attached in Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Ontario this ____ day of _____, 20____, by the following vote:

AYES:

NAYES:

ABSENT:

APPROVED by the Mayor this ____ day of _____, 20____.

ATTEST

Ronald Verini, Mayor

Tori Barnett, MMC, City Recorder

Exhibit A: Beekeeping Ordinance Code Amendments

Section 1. Section 6-2-19 of Title Chapter 2 of Title 6 is hereby amended by striking out current subsection (1) of No. 6-2-19(A) and renumbering subsections 2 through 7 of 6-2-19(A) as underlined. Sections 6-2-19(B) and (C) are not amended:

6-2.19 – Animal Control Restrictions

(A) The following are prohibited from residing in the City limits:

~~1. — Beekeeping. No person shall possess, maintain or keep bees in the City limits.~~

2. 1. Dogs. No single-family residence shall contain more than three (3) adult dogs and one litter of puppies under three (3) months of age.

3. 2. Exotic Animals. No person shall possess, maintain or keep any exotic animal in the City limits.

4. 3. Livestock. No person shall possess, maintain or keep any livestock in the City limits.

5. 4. Wildlife. No person shall possess, maintain or keep any wildlife.

6. 5. Wolves and Hybrids. No person shall possess, maintain or keep wolves and hybrid wolves. Pure breed wolves are considered wildlife or exotic animals by definition. Hybrid wolves that contain twenty percent (20%) or more wolf breed are considered exotic animals. Neither qualifies as a dog by definition and may not be licensed as such and any inoculations for rabies are not recognized as valid.

7. 6. Domesticated Fowl. No person shall possess domesticated fowl other than as set forth in this Section. A single residence or community garden may have no more than six (6) chicken hens, subject to the following restrictions:

a. No roosters are permitted within the City limits.

b. Chickens may be kept on a single-family parcel. For parcels under one ownership, with up to three (3) stand-alone dwellings, chickens may be kept at one or more dwellings, provided that the person in charge of each dwelling provides a written consent to the owner of the chickens. The owner of the chickens shall produce the written consent upon request from the City.

c. Chickens may be kept on community garden lots subject to the same restrictions as apply to single-family parcels.

d. Chickens shall be provided with a covered, predator-proof chicken coop that is thoroughly ventilated; of sufficient size to admit free movement of the chickens; designed to be easily accessed, cleaned and maintained by the owners; and be at least two (2) square feet per chicken in size.

e. No chicken coop shall be located closer than twenty (20) feet to any residential structure occupied by a household other than the household of the chicken owner, custodian, or keeper. If the owner of the neighboring dwelling consents, a waiver may be granted for this condition.

f. All chickens shall be shut into a chicken coop at night, from sunset to sunrise.

g. During daylight hours adult chickens shall have access the chicken coop and, weather permitting, shall have access to an outdoor enclosure on the subject property.

h. All parcels of real property containing chickens shall be adequately fenced to contain the chickens and to prevent access to the chickens by dogs and other predators, and the owner of the chickens shall be responsible for keeping the chickens from running at large.

i. No chicken manure shall be put into household trash. All waste must be composted.

j. Stored feed must be kept in a rodent- and predator-proof container.

k. Every owner of chickens shall be responsible for controlling noxious odors and excessive noise from the chickens.

l. Keeping chickens in violation of any of the restrictions in this Section shall constitute a nuisance subject to abatement under the City Code.

Section 2. Chapter No. 6 (Police Regulations) of the Code of Ordinances, Ontario, Oregon, is hereby amended by adding a new section No. 6-2-28, which reads as follows:

6-2-28 – Beekeeping – The purpose of this ordinance is to establish certain requirements for beekeeping within the city and to avoid issues which might otherwise be associated with beekeeping in populated areas.

6-2-28.1 Definitions

(A) As used in this article, the following words and terms shall have the meanings ascribed in this section unless the context of their usage clearly indicates another meaning:

1. "Apiary" means the assembly of one or more colonies of bees at a single location.
2. "Applicant" means the person applying for a residential beekeeping permit.
3. "Bees" means honey producing insects of the species *apis mellifera* commonly known as honeybees.
4. "Beekeeper" means a person who owns or has charge of one or more colonies of bees.
5. "Beekeeping equipment" means anything used in the operation of an apiary, such as hive bodies, supers, frames, top and bottom boards and extractors.
5. "Colony" or "hive" means an aggregate of bees consisting principally of workers, but having, when perfect, one queen and at times many drones, including brood, combs, honey and the receptacle inhabited by the bees.
6. "Flight Path" means the route taken by bees to and from the colony to gather, nectar, pollen, or propolis.
7. "Hive" means a container or collection of boxes for housing honeybees.
8. "Lot" means a contiguous parcel of land under common ownership.
9. "Nucleus Colony" means a small colony that only contains a few thousand honeybees and a queen that is used primarily to produce new queens or workers for the purpose of starting a new colony or adding an existing colony.
10. "Robbing" means the process by which bees collect honey from colonies other than their own, from frames of extracted honey, or from spills of sugar syrup or honey.
11. "Swarm" means a collection of bees from a colony that has divided and is seeking to start a new colony elsewhere.
12. "Tract" means a contiguous parcel of land under common ownership.
13. "Undeveloped property" means any idle land that is not improved or actually in the process of being improved with residential, commercial, industrial, church, park, school or governmental facilities or other structures or improvements intended for human use occupancy and the grounds maintained in association therewith. The term shall be deemed to include property

developed exclusively as a street or highway or property used for commercial agricultural purposes.

6-2-28.2. Permit Required.

- (A) Every person who owns or is in charge of one or more colonies within the City, shall register with the City and hold a permit for beekeeping.
- (B) The registration runs from June 1 to May 31 and must be renewed each year.
- (C) The registration fee for apiaries consisting of 5 or more colonies is \$10 per application plus \$.50 per colony. There is no registration fee for apiaries consisting of less than 5 colonies. This fee may be amended from time to time by City Council resolution.
- (D) Each beekeeper shall comply with all Oregon Department of Agriculture registration requirements.
- (E) Renters must provide written approval from the property owner

6-2-28.3. Apiary Location

- (A) Apiaries must be managed in the interests of ensuring that they do not become a nuisance to neighbors and the public.
- (B) Flight paths shall be managed by:
 - 1. Establishing and maintaining a flyaway barrier at least 6 feet in height consisting of a solid wall, fence, dense vegetation or combination thereof that is parallel to the lot line and extends 10 feet beyond the apiary in each direction so that all bees are forced to fly at an elevation of at least 6 feet above ground level over the lot lines in the vicinity of the apiary;
 - 2. Elevating the apiary to a height of 10 feet or more above ground level; or
 - 3. Other means to prevent flight paths from interfering with neighbors and the public.
- (C) Apiaries must comply with all other City accessory structure standards and setback requirements that may apply.

6-2-28.4. Standard of Care

- (A) Each beekeeper shall ensure that a convenient source of water is available to the bees at all times during the months of March through October.
- (B) Colonies shall be maintained in hives with adequate space and management techniques to prevent overcrowding.

- (C) All hives shall be kept in sound and usable condition.
- (D) Each beekeeper shall ensure that no bee comb, wax or other materials that might encourage robbing or predators are left upon the grounds of the apiary site. Upon their removal from the hive, all such materials shall properly be disposed of in a sealed container and relocated away from bee access.
- (E) Beekeepers are encouraged to keep records of all colony management activities taken in accordance with any best-practice guidelines issued by Oregon State University Extension Service or recommendations by the Oregon State Beekeepers Association.
- (F) Beekeepers are encouraged to speak with neighbors regarding their apiaries to address concerns and avoid misunderstandings.
- (G) Beekeepers are required to respond immediately to remediate nuisance conditions including but not limited to hive placement or bee movement that interferes with pedestrian traffic or persons residing on or adjacent to the apiary premises.

6-2-28.5. Approval, Denial, and Revocation

- (A) The city may grant a permit pursuant to this section only after the applicant has met all requirements provided in this ordinance.
- (B) The city may deny or revoke a permit upon finding that:
 1. The applicant or permittee fails to comply with the standards of care provided in this ordinance and/or standards of care developed by the Oregon State Beekeepers Association and Oregon State University Extension Service.
 2. The applicant has provided false or misleading material information, or has omitted disclosure of a material fact on the application, related material or permit;
 3. The permitted activity would endanger property or the public health or safety;
 4. The permitted activity is determined to be a nuisance pursuant to law.

6-2-28.6. Violations and Penalties

- (A) Inspection and Right of Entry. Whenever they shall have cause to suspect a violation of any provision of this ordinance, or when necessary to investigate an application, or revocation of a permit under any of the procedures prescribed in this ordinance, officials for the enforcement or administration of this ordinance, or their duly authorized representatives, may enter on any site, or into any structure used for beekeeping, for the purpose of investigation providing they do so in a reasonable manner. If an owner or occupant denies access for an inspection, the

city will seek a warrant. No secured building shall be entered without the consent of the owner or occupant unless under authority of a lawful warrant.

(B) Violations.

1. Failure to Hold a Valid Permit. Any beekeeper who fails to hold a valid permit may be punished by a fine not to exceed \$100 per day.
2. All Other Violations. If after an investigation and officials for the enforcement of administration of this ordinance determine that provisions of this ordinance have been violated, the City Administrator may issue a citation, but only if a written warning has been issued to the beekeeper by the City within the previous 365 days. A warning shall be served upon the beekeeper responsible for the condition or violation by personal service or by first class mail, addressed to the beekeeper's last known address. If the address of the beekeeper is unknown and cannot be found after a reasonable search, the warning may be served by posting a copy at a conspicuous place on the property where the violation occurred. If a warning is directed to the beekeeper who is not the owner of the property where the violation is occurring, a copy of the warning may be sent to the owner of the property. The warning is effective on the earliest date of: the date of personal service, the date of posting, three days after mailing by the City, or the day the notice is actually received. Any person found in violation of any of the provisions of this ordinance may be punished by a fine not to exceed \$100 for any one offense, with each day constituting as separate offense.
3. The fines set forth herein may be amended from time to time by City Council resolution.

(C) Compliance with this ordinance may be offered in:

1. A proceeding alleging that a given colony constitutes a nuisance, as evidence of the beekeeper's efforts to abate any proven nuisance; or
2. A proceeding alleging that a given colony violates applicable ordinances regarding public health and safety, as evidence of the beekeeper's compliance with acceptable standards of practice among hobby beekeepers in the State of Oregon.

(D) Legal Proceedings by City Attorney. In addition to enforcement provisions of this ordinance, upon request by the City Council, the City Attorney may institute any additional proceedings, including, but not limited to, seeking injunctive relief to enforce the provisions of this ordinance.

6-2-28.7. Appeal. In the event an application for a permit under this ordinance is denied or revoked, or in the event a fine is assessed, the applicant, permittee, or beekeeper shall have the right to appeal within 15 days after the permit denial or revocation by filing a written notice of appeal with the City Manager specifying the grounds for appeal. All appeals shall be conducted

by a hearings officer as a contested case proceeding pursuant to the provisions of Article V of Chapter 5 of Title 1 of the Ontario Municipal Code.

6-2-28.8. Severability Clause. A determination of invalidity or unconstitutionality by a court of competent jurisdiction of any clause, sentence, paragraph, section, or part of this ordinance shall not affect the validity of the remaining parts of this ordinance.

6-2-28.9. Savings Clause. A prosecution that is pending on the effective date of this ordinance and arose from a violation of an ordinance repealed by this ordinance, or a prosecution started within one year after the effective date of this ordinance arising from a violation of an ordinance repealed by this ordinance, shall be tried and determined as if the ordinance had not been repealed.

Section 3. This ordinance shall become effective within 30 days after passage.



**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Daniel Beaubien, Airport Manager

THROUGH: Adam J. Brown, City Manager

SUBJECT: COMMERCIAL LAND LEASE: BAIN AVIATION

DATE: August 13, 2018

PROPOSED MOTION:

I MOVE THE CITY COUNCIL APPROVE THE LEASE AS PRESENTED FOR JAMES BAIN.

SUMMARY:

Jim Bain, dba Bain Aviation, Inc., has been working out of the airport as an agricultural applicator since 2015 with a land lease for his spray operation. The lease expired two years ago and even though payments have been made to the City of Ontario in good faith during that time it is necessary to update the lease agreement.

BACKGROUND:

It is the responsibility of the city to renew and update leases at the airport.

CURRENT SITUATION:

The last lease was for a period of one year with the anticipation of moving all agricultural operators to a new location. Since the new location has not been an option for pilots and may not be until possibly 2021, it is appropriate at this time to grant the new lease.

ANALYSIS:

- A. **FINANCIAL** The increase in rate will bring in additional revenue to the City of Ontario.
- B. **TIMING** Because of the lapse, it is prudent to grant the lease as soon as possible ensuring the security of being able to conduct a business at the Ontario Municipal airport.
- C. **POLICY/LEGAL** It is the policy of the City of Ontario to grant leases at the Ontario Municipal Airport.

ALTERNATIVES:

The City Council could choose not to approve the lease.

RECOMMENDATION:

Staff recommends approving the lease as presented for the continuation of the ag operation at the Airport for Bain Aviation, Inc.

ATTACHMENTS:

1. Bain Aviation Lease new
2. Bain insurance
3. Bain Hangar Map

COMMERCIAL LEASE AGREEMENT
LAND LEASE ADDRESS:
245 ERCOUBE

THIS AGREEMENT, made and entered into this **8th** day of **November, 2018**, by and between the **CITY OF ONTARIO, OREGON**, as first party, hereinafter referred to as the "CITY" and **Bain Aviation, Inc.**, a Corporation, as second party, hereinafter referred to as "LESSEE."

W I T N E S S E T H:

WHEREAS, the City is the owner of certain property within the corporate boundaries of said city known and operated as the Ontario Municipal Airport, and certain hangars located upon said property; and

WHEREAS, **Bain Aviation, Inc.** desires to use said airport for the purpose of providing a(n) **Aerial Application** service.

NOW THEREFORE, in consideration of the mutual promises on the part of both of the parties, the City does hereby lease the non-exclusive right to the property described in Exhibit "A" attached hereto and incorporated herein by reference, together with the joint use in common with all the facilities upon said airport, subject to all rules and regulations pertaining to the airport which are now in effect or may hereafter be adopted, for a period of **(2) years**, commencing on **August 21st, 2018**, subject to the following terms and stipulations:

- 1) LESSEE shall make available the following facilities and services to the general Public: **Common areas of the airport, Access to irrigation water from city owned well/pump at the rate of \$1.00 per 1000 gal, estimated use 200,000 gallons annually.**
- 2) LESSEE shall have the right, on a non-exclusive basis:
 - a) to install, operate, maintain, repair and store, subject to the approval of the City, in the interest of safety and convenience to all concerned, all equipment necessary to conduct of LESSEE business, to-wit: **Aerial Application**
 - b) to provide storage space for aircraft.
 - c) to use common area of the airport, including runways, taxi-ways, aprons, roadways, floodlights, land lights, signals and other conveniences for the take-off, flying and landing of the aircraft.
- 3) Said property shall not be used for any other purpose than that authorized herein without the written consent of the City, and LESSEE shall not carry on or conduct any business upon said premises that will be injurious to persons or property upon said airport. LESSEE shall keep and store all inflammable materials and liquid in accordance with the rules and regulations adopted and approved by the National Board of Fire Underwriters.
- 4) There shall be no signs or other advertising located at the airport.
- 5) LESSEE shall lease a minimum of 7,000 square feet from the City for construction,

operation, and maintenance of the facilities as herein described.

- 6) City may, but shall not be obligated to, maintain, keep and repair the landing area of the airport and all publicly owned facilities to the airport, together with the right to direct and control all activities of the LESSEE in this regard. All damage caused to the airport, its runways, its landing areas, or other facilities, caused or occasioned by negligence of LESSEE shall be paid for in full by LESSEE and the City shall be fully compensated for such damage. LESSEE shall subordinate to provisions or any existing or future provisions or agreement between the City and the United States relative to the operation or maintenance of the airport. LESSEE shall have the right to terminate the lease in the event an agreement between the City and the United States would permit the United States to take over the airport and make the operations of LESSEE on the airport extremely onerous or impossible. The execution of the agreement has been or may be recorded as a condition precedent to the expenditure of federal funds for the development of the airport. All buildings shall conform to the existing building and safety codes which apply. The leased area and LESSEE facilities thereon shall be kept in an acceptable state of repair and maintenance at all times. All buildings or improvements constructed upon the leased premises by LESSEE may be removed therefrom by LESSEE at any time during the term of this lease and within a reasonable period of time following expiration of the term or termination of the lease.

(a) LESSEE shall be granted access to city-owned irrigation water at the east edge of LESSEE loading area. LESSEE shall compensate CITY \$1.00 per 1,000 gallons of irrigation water on an estimated usage amount of 200,000 gallons annually resulting in a water usage fee of \$200.00 per year.

- 7) Any aircraft, aircraft parts, equipment, supplies, or other materials owned by Tenant shall only be stored in an approved manner on property subject to a current Hangar lease, tie-down fee agreement, static display agreement, or temporary use agreement. Any aircraft, aircraft parts, equipment, supplies and/or other materials belonging to Tenant and stored on airport premises for more than forty-eight (48) hours in violation of the provisions herein shall be subject to removal by the City at Tenant's expense.
- 8) The Tenant shall obtain public liability and property damage insurance in a responsible company with limits of not less than \$500,000 for injury to one (1) person, \$1,000,000 for injury to two (2) or more persons in one occurrence, and \$100,000 for damage to property. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the leased premises whether or not related to an occurrence caused or contributed to by Landlord's negligence, shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under the provisions of the indemnification paragraph contained herein, and shall protect Landlord and Tenant against any and all claims of third persons.
- 9) Nothing in this lease is intended or shall act to waive the liability limits as established in the Oregon Tort Claims Act, ORS 30.260 et seq.

- 10) LESSEE shall operate its leased premises for the use and benefit of the public and make available public facilities and services offered by it to the public without unjust discrimination and refrain from imposing or levying excessive or discriminatory or other unreasonable charges or fees for the use of the airport or its facilities. It is understood and agreed that nothing contained in these standards shall be construed to grant or authorize the granting of the exclusive rights within the meaning of Section 303 of the Civil Aeronautics Act.
- 11) LESSEE agrees not to refuse its service or products to any person because of such person's race, color or natural origin.
- 12) The City agrees to require, to the extent that it can legally do so, that any other individual or firm desiring to use the Ontario Municipal Airport for the commercial purposes which are in competition with the LESSEE activities thereon shall be required to furnish and provide all facilities, buildings, services and investment acceptable to the City and commensurate with those furnished by LESSEE with respect to all of LESSEE's commercial operations thereon and not necessarily specified in this agreement.
- 13) LESSEE shall not assign, transfer or sublet in whole or in part to any other person or persons whomsoever the rights and privileges herein contained without the written consent of the City being first obtained.
- 14) LESSEE shall pay to the City as yearly rent the sum of **fifteen cents (15¢)** per square foot of the property described in Exhibit "A" subject to the rights of the City to escalate said rental amount as more specifically provided for hereinafter. The parties hereto covenant and agree that the total area of the property described in Exhibit "A" is **the default minimum of 7000** square feet for the purposes of determining the annual rent herein. The annual rental amount shall be paid on or before the 30th day of June each year, and is payable each year in advance. In the event this Agreement is entered into during the course of a fiscal year, the amount of rent shall be prorated from the date of the Agreement through June 30th of that year. It is mutually understood and agreed between the parties hereto that the rental amount may be adjusted upward or downward annually in the sole discretion of the Common Council of the City of Ontario. Such adjustment may be made in any year and shall be effective for the balance of the lease term or until further adjustment, if any.

Adjustments to the rent shall not be made more frequently than one adjustment per year and each yearly adjustment shall not be an amount greater than 6% of the then existing rent.

- 15) LESSEE shall not participate in or perform any other aeronautical function at the airport save and except that specified in this lease.

- 16) LESSEE, for all aircraft operated in connection herewith, shall be required to have two-way radios in its aircraft capable of communicating and receiving on 122.8 MZ for communication with the Uni-com facilities at the airport as well as with other air traffic in the area.
- 17) LESSEE shall adhere to and follow the airport's Storm Water Pollution Control Plan. The plan shall include at least the following items:
- (a) A description of all "significant materials" that are treated, stored, transferred or disposed of on site, together with the methods of treatment, storage, transfer or disposal.
 - (b) A site map showing the location of the site in relation to surface waters and storm water drainage facilities indicating drainage patterns, each drainage area of each storm water outfall; paved areas and buildings within the drainage area of each discharge point; areas used for outdoor storage, transfer or disposal of significant materials; each existing structural control measure for reducing pollutants in storm water runoff; materials loading and access areas; hazardous waste storage or disposal facilities; location of wells, (including waste injection wells, seepage pits, dry wells, etc.).
 - c) A narrative description of the materials and storm water management practices employed or scheduled for employment, to minimize contact of significant materials with storm water runoff; structural and nonstructural control measures to reduce pollutants in storm water runoff; treatment (if any) and ultimate disposal of solid or fluid wastes other than by surface discharge. In developing the plan the lessee shall consider but not be limited to the following management practices:
 - I. Containment - Containment methods required under 3-9-9(B)4 Ontario Municipal Code shall be described and a schedule for their implementation adopted.
 - ii. Oil & Grease Separation - Oil/water separators, booms, skimmers or other methods should be employed to minimize oil contaminated storm water discharge.
 - iii. Waste Chemical Disposal - Waste chemicals such as deicers, antifreeze, degreasers, used oils, pesticide residuals, etc. shall be recycled or disposed of in an approved manner and in a way which prevents them from entering storm water discharges and or ground water.

- iv. Storm Water Diversion - Wherever possible, storm water should be diverted away from material storage and other areas of potential storm water contamination.
 - v. Covered Storage Areas - Wherever practicable, fueling operations, material storage areas, and material transfer areas should be covered to prevent contact with storm water.
- (d) Spill Prevention and Response Procedures - Areas where potential spills of significant materials can impact storm water runoff and their associated drainage points shall be clearly identified. Methods to prevent spills along with cleanup and notification procedures shall be identified in the plan and made available to the appropriate personnel. The required cleanup equipment must be on site or readily available.
- (e) Preventive Maintenance - A preventive maintenance program shall be implemented to insure the effective operation of materials management facilities, structural and non-structural control facilities, and any treatment facilities used to comply with the requirements of the ODEQ. The preventive maintenance program shall include the following:
- I. Areas where potential spills of significant materials could impact storm water runoff, control structures, and any treatment facilities shall be inspected monthly.
 - ii. A regular program of cleaning and repairing storm water control structures, treatment facilities, and materials handling, transfer and storage facilities shall be conducted.
- (f) An employee awareness program shall inform personnel of the components and goals of the SWPCP, and address spill response procedures, good housekeeping and materials management practices.
- (g) Incidents of spills or leaks of significant materials which could impact storm water runoff, or ground water, along with corrective actions, surface water discharge (if any), and other relevant information shall be included in the company records. Inspection and maintenance activities such as cleaning and repairing storm water control and treatment facilities shall also be documented and recorded.

- (h) A supplemental plan shall be filed each calendar year on or before the anniversary date of the lease. The supplemental plan shall include a complete site inspection of all areas where potential spills of significant materials can impact storm water runoff or ground water. The supplemental plan shall identify any spills or leaks which actually did occur as well as cleanup measures and steps taken to prevent reoccurrence. The Supplemental Plan shall also include a list of any significant substances treated, stored transferred or disposed of on site which have not been previously identified in a SWPCP under this Section.
 - (i) LESSEE shall be required to implement dust abatement measures as required to prevent nuisance dust issues for other airport users and businesses.
- 18) LESSEE shall pay to the City the sum of \$1,000 commercial operator's fee, which shall be paid on or before the 30th of June each year payable each year in advance. In the event this Agreement is entered into during the course of a fiscal year, the amount of the consideration shall be prorated from the date of the Agreement through June 30th of that year.
- 19) It is stipulated and agreed that in any event notwithstanding any provisions made in this lease, the parties hereto shall submit to arbitration any questions or disputes, except non-payment of rentals, arising between the parties hereto to the meaning or interpretation of any term or condition or provision herein contained or in respect to any matter of compliance or noncompliance with the terms hereof. Said question or dispute shall be submitted to three arbitrators. LESSEE and the City each shall select one and the two so chosen shall then select a competent and disinterested person to serve as the third arbitrator. Or, in the event that the two arbitrators cannot agree on the selection of a third arbitrator, said third arbitrator shall be selected within 30 days by the Circuit Court Judge of Malheur County, Oregon. The arbitrators, together, shall then consider the question or questions or dispute or disputes submitted to them in writing by the parties hereto. The decision in writing of any two shall determine the particular question or dispute under consideration. All expenses of arbitration shall be borne one-half by the City and one-half by LESSEE.
- 20) The initial term of this lease shall be from the date of execution through June 30th of the current fiscal year. If the lease is not in default, the Lease Agreement may be renewed annually upon mutual agreement of the parties.
- 21) LESSEE assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. LESSEE assures that 'it will require that its covered suborganizations provide assurances to the LESSEE that they similarly will undertake affirmative action programs and that they will require assurances from their

suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

Any notice required or permitted under this lease shall be given when actually delivered or when deposited in the United States mail as certified mail, addressed as follows:

To Landlord: City of Ontario
 444 S.W. 4th Street
 Ontario, Oregon 97914

To Tenant: Bain Aviation, Inc.
 606 Cove Rd.
 Weiser, ID 83672

IN WITNESS WHEREOF, LESSEE has caused these presents to be signed by its owner, this _____ day of November, 2018.

CITY OF ONTARIO

LESSEE

By: _____
Ronald Verini, Mayor

By: _____
James Bain, Bain Aviation, Inc.

ATTEST:

Tori Barnett, MMC, City Recorder

EXHIBIT A

[Legal Description or copy of map]



2 Tower Center Blvd
Suite 1605
East Brunswick, NJ 08816

AV 11 00 (Ed. 04 14)

Aircraft Certificate of Insurance

Certificate Holder: City of Ontario
444 SW 4th Street
Ontario, OR 97914

Named Insured: Bain Aviation Inc
606 Cove Road
Weiser, ID 83672

Policy Period From: November 10, 2017 To: November 10, 2018

Policy Number: AHE261412-00

Issuing Company: Great American Insurance Company

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

Registration	Year	Make	Model	Insured Value	In Motion	Not In Motion
N20576	2012	Air Tractor	AT602	\$ 900,000	\$ 45,000	\$ 5,000

Registration	Non-Chemical Bodily Injury - Person / Occ	Non-Chemical Property Damage	Chemical Bodily Injury - Person / Occurrence	Chemical Property Damage	Aggregate
N20576	\$1,000,000	\$ 1,000,000	\$100,000 / \$300,000	\$ 100,000	\$ 300,000

The Certificate Holder is included as an Additional Insured, but only as respects operations of the Named Insured.

The Company will provide the Certificate Holder with 30 days (10 days for non-payment of premium) advance notice of cancellation or material change.

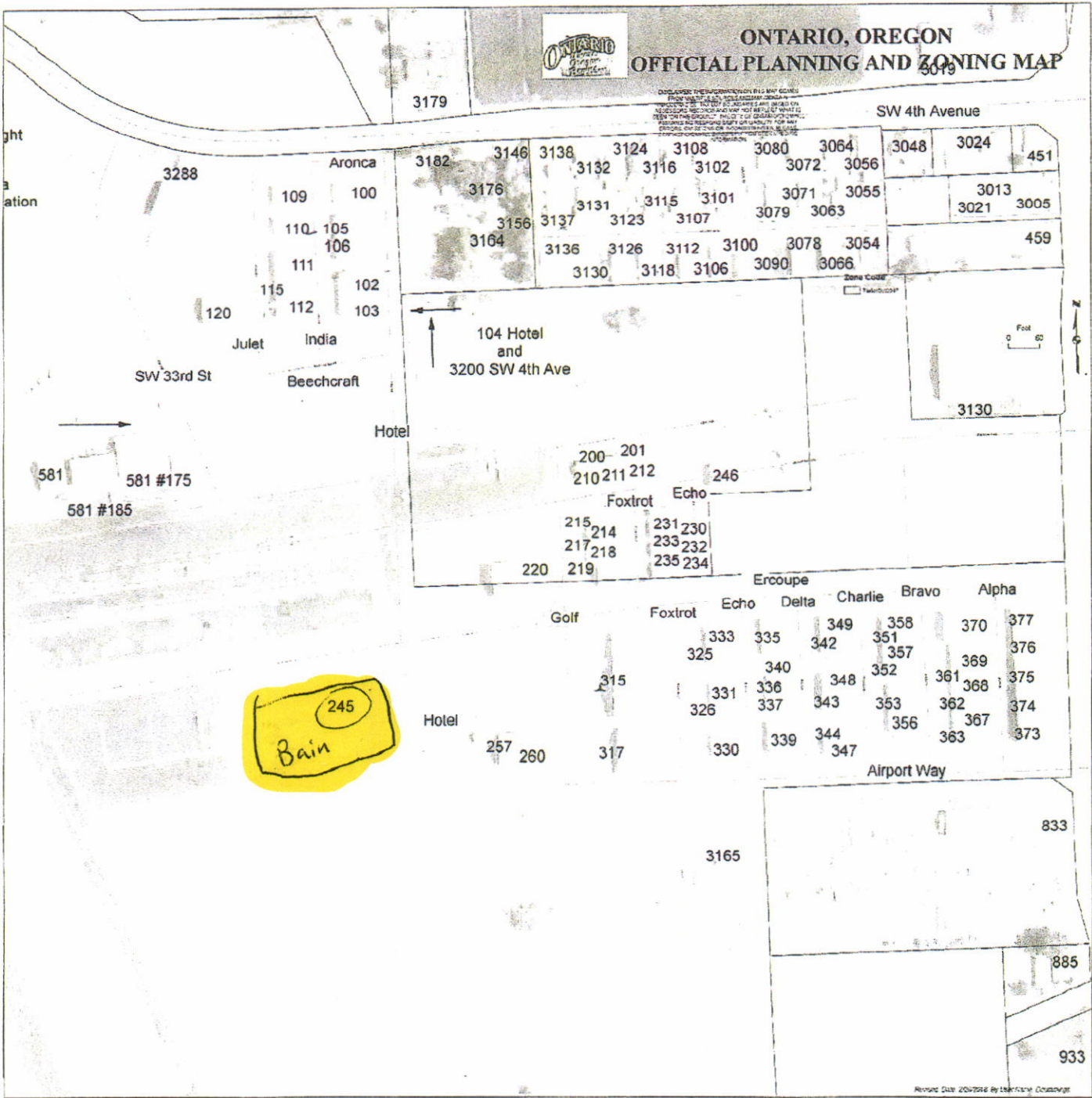
Certificate Number: 2

Date: November 9, 2017

(Authorized Representative)

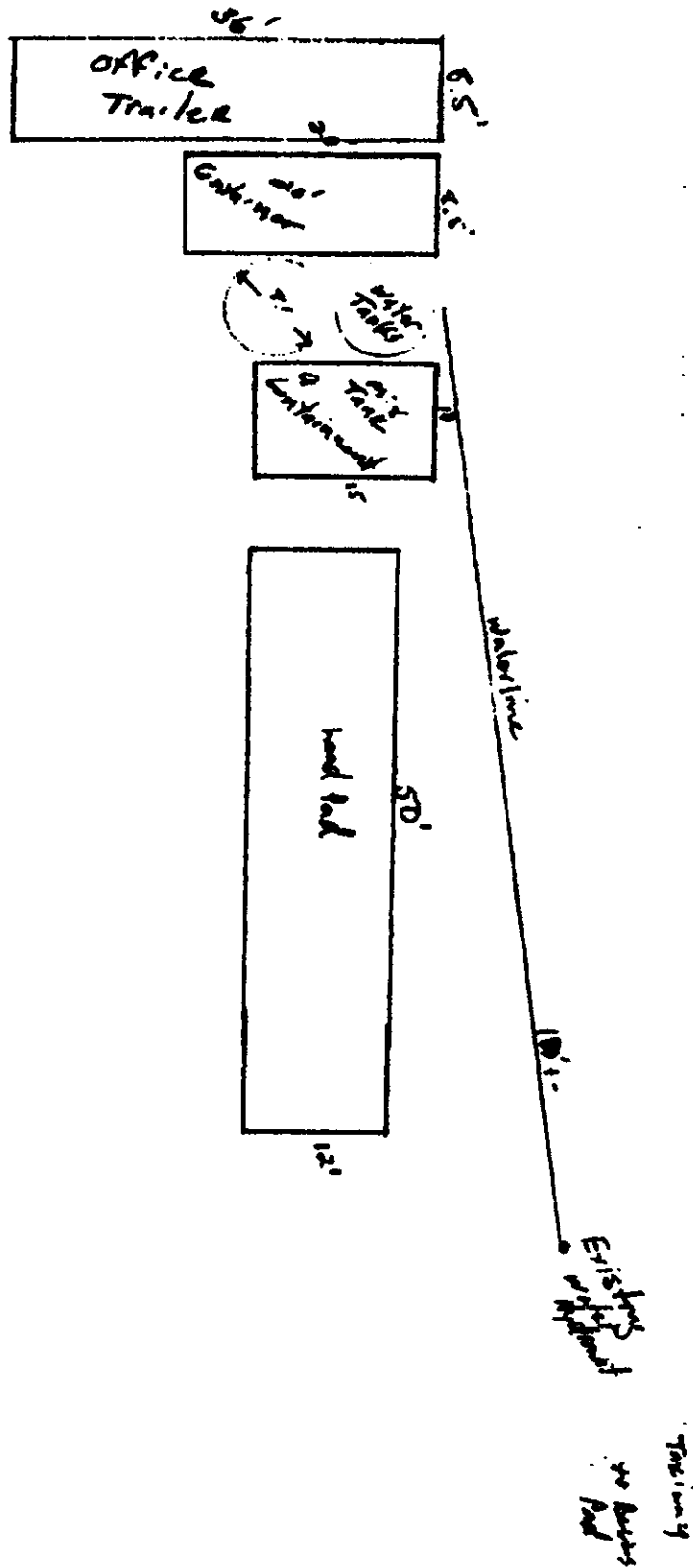
AV 11 00 (Ed. 04 14)

Exhibit "A"
Hanger Lease



City of Ontario
Municipal Airport,
Malheur County,
Oregon

EXHIBIT A





**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Adam J. Brown, City Manager

THROUGH: Adam J. Brown, City Manager

SUBJECT: MOORE PARK LEASE RENEWAL

DATE: November 1, 2018

PROPOSED MOTION:

I MOVE THAT THE CITY COUNCIL APPROVE THE LEASE AGREEMENT BETWEEN RILEY J. HILL AND THE CITY OF ONTARIO FOR A PERIOD OF FIVE (5) YEARS.

SUMMARY:

The lease for Moore Park in downtown Ontario has expired. A new lease must be approved for the property to continue use as a city park.

BACKGROUND:

An original five (5) year lease was approved in 2003. At the expiration of that lease in 2008, another five (5) year lease was approved by the City Council with the option of extending it another five (5) years. Thus the second lease expired in 2018 and must be approved by Council to continue as a city park.

CURRENT SITUATION:

The lease expired on the 18th of May 2018. Minor changes and clarifications have been made to the lease respecting maintenance and use of the entire parcel of land.

The park is home to the Ontario Saturday Market during the summer, an outdoor farmers and crafters market. The Saturday Market is a popular event that adds vitality to the downtown on the weekend.

ANALYSIS:

- A. **FINANCIAL** The lease is for one dollar (\$1.00) per year.
- B. **TIMING** The lease expired on May 18, 2018. The city has continued its use as a park over the summer.

- C. **POLICY/LEGAL** Only the City Council has the authority to approve land leases between the city and another entity.

ALTERNATIVES:

Take No Action: The property would revert to the landlord and would become taxable. Maintenance of the property would fall back on the landlord.

The City of Ontario would need to remove it from the City Parks Master Plan. The city would have no say about what goes on at the site.

RECOMMENDATION:

The City Manager recommends that the City Council approve the lease agreement between Riley J. Hill and the City of Ontario for a period of five (5) years.

ATTACHMENTS:

1. LEASE AGREEMENT_CC_Moore Park_10 2018



LEASE AGREEMENT

DATED: This _____ of _____ 2018
BETWEEN RILEY J. HILL, herein, "Landlord"
AND City of Ontario, hereinafter, "Tenant"

Premises:

- A. Landlord owns property described in Exhibit A.
- B. Landlord is willing to lease the entire property to Tenant for use as a City Park
- C. The parties wish to reduce their agreement to writing.

Agreement:

Landlord and Tenant covenant, contract, and agree as follows:

1. **Lease:** Landlord leases to Tenant and Tenant leases from Landlord that property described on Exhibit "A" attached hereto and by this reference incorporated herein (the Property.)
2. **Rent:** The rent shall be ONE DOLLAR (\$1.00) per year.
3. **Term:** The lease shall run for a period of five years, beginning upon dated signature of Landlord, and subject to the right of the Landlord to terminate the Lease upon giving thirty (30) days written notice to Tenant. Renewal of the lease shall be negotiated no more than ninety (90) days prior to termination.
4. **Hold Harmless:** The City, subject to the limits of public body liability set forth in the Oregon Tort Claims Act, ORS 30.260 *et seq*, will hold Landlord harmless from any claims whatsoever, accruing after the date hereof and arising solely out of the use of the property for City park purposes.
5. **Use of Property:** The property may be used as a City park and for no other purpose.
 - a. Tenant shall have exclusive right to the property.
 - b. To maintain tax exempt status, no other rents shall be collected by the Landlord for any portion of the parcel described in Exhibit A.

6. **Maintenance:** So long as the Property is used as a City park, the landlord shall have no obligations whatsoever concerning the maintenance, safeguarding , irrigation, or upkeep of the Property.
7. **No Improvements:** The City shall not place any improvements on the Property without first obtaining the written approval of the Landlord.
8. **Filing for Tax Exemption:** The Lessee (the City) shall file tax exemption documents with the Malheur County Tax Assessor's Office on or before April 1st of each year, or as deemed necessary by the County.

Signed and dated this _____ day of November of _____, 2018.

Landlord:

Tenant:

Riley J. Hill

Ronald Verini, Mayor

Attest:

Tori Barnett, City Recorder

EXHIBIT "A"



A parcel of land in Township 18 South, Range 47 East of the Willamette Meridian, Section 3, more particularly described as follows:

A parcel in Block 13 of the Plat of the Original Town of Ontario, Malheur County, Oregon, as follows:

The East 35 feet of Lots 1 through 5, inclusive, Lots 11 through 15, inclusive, together with that portion of the alley vacated by Ordinance #1785 in said Block 13.

Tax Map 18S4703CC; Tax Lot No. 5901



**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Adam J. Brown, City Manager

THROUGH: Adam J. Brown, City Manager

SUBJECT: LETTER OF SUPPORT FOR RAIL STATION

DATE: October 25, 2018

PROPOSED MOTION:

I MOVE THAT THE CITY COUNCIL APPROVE THE LETTER OF SUPPORT TO THE MALHEUR COUNTY COURT AND THE NYSSA CITY COUNCIL FOR THE MALHEUR COUNTY TRANSLOAD FACILITY ZONING REQUESTS AND AUTHORIZE THE MAYOR TO SIGN THE LETTER ON BEHALF OF THE ONTARIO CITY COUNCIL.

SUMMARY:

The Malheur County Court has requested a letter of support for the Malheur County Development Corporation's transload facility.

BACKGROUND:

The Nyssa City Council and Malheur County applied for a land use change through the Department of Land Conservation and Development. The entirety of the land proposed for rezoning to industrial purposes to be added to the City of Nyssa has been questioned by other parties. It has been proposed that only a portion of that property be rezoned to industrial use at this time. The County and City of Nyssa would have to go back to the Department of Land Conservation and Development at a later date to rezone the remaining land.

CURRENT SITUATION:

The Malheur County Court has requested the support of the City of Ontario. In consultation with the County Court, staff has drafted a letter of support on behalf of the City Council of Ontario.

ANALYSIS:

- A. **FINANCIAL** This letter of support comes with no financial commitment.

The City of Ontario will benefit from the transload facility by housing workers and providing retail needs for other employees all over the county.

- B. **TIMING** The timing is imperative as the public comment period is wrapping up shortly. Any letters of support must be submitted quickly to be considered in the State's decision.
- C. **POLICY/LEGAL** The City Council must authorize this letter of support on behalf of the city.

ALTERNATIVES:

Take No Action: A letter of support is not required by the City Council. The application may be successful without the support of the Ontario City Council; however, the letter of support strengthens the request.

RECOMMENDATION:

The City Manager recommends that the Ontario City Council approve this letter of support to the Malheur County Court and Nyssa City Council.

ATTACHMENTS:

1. Ltr_County & Nyssa_support for zoning of industrial land_11 5 2018



City of Ontario
444 SW 4th Street
Ontario, OR 97914
Voice (541)881-3223
Fax (541)889-7121

Mayor Ronald Verini

Norm Crume, Council President

Dan Capron

Betty Carter

Marty Justus

Thomas Jost

Ramon Palomo

November 8, 2018

To the Malheur County Court and Nyssa City Council,

The Ontario City Council would like to express its support to have the entire parcels of land identified in the transload facility study conducted by the Malheur County Development Corporation (MCDC) to be allowed to be rezoned to industrial use. Ontario recognizes the stimulus to the economy that the transload facility will provide to eastern Oregon and has an interest in making sure it is successful.

Having the entire parcels zoned industrial will allow for the ability to offer varied sized parcels that are shovel ready. We have an agricultural based economy in Malheur County with stiff competition from the State of Idaho. We need to keep as many of the phases of production in Oregon to reap the rewards of this agricultural economy. We recognize that rising tides lift all ships, so Ontario completely supports this project having the greatest flexibility possible. Having the most land zoned appropriately upfront is essential to making this successful.

Sincerely,

Signed with the Unanimous Support of the Ontario City Council
Mayor Ronald Verini



**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Daniel Beaubien, Airport Manager

THROUGH: Adam J. Brown, City Manager

SUBJECT: CHANGE TO AIRPORT OPERATIONS MANUAL - SECTION 1.7(B)

DATE: October 26, 2018

PROPOSED MOTION:

I MOVE TO CHANGE THE WORDING IN THE ONTARIO MUNICIPAL AIRPORT'S OPERATION MANUAL AS PRESENTED.

SUMMARY:

The Airport Committee passed a motion to make a change in the Standard Manual of Airport Rules and Regulations.

Under 1.7 Minimum Standards, New Construction part B, it currently reads: All new hangers shall be of metal or masonry construction.

In order to use wood in the construction of new hangers the wording would change to: All new hangers shall have the exterior be of metal or masonry construction and have a full concrete slab floor. Wood construction is allowed.

BACKGROUND:

There are contractors who would like to build hangers but are limited to the more expensive materials.

CURRENT SITUATION:

Two hangers are being looked at being built but the cost of not allowing wood in the construction is too much of a deterrent to proceed.

ANALYSIS:

- A. **FINANCIAL** Increased revenue will follow the construction of new hangers at the airport.

- B. **TIMING** Builders are looking now and so it seems timely to make corrections at this time.
- C. **POLICY/LEGAL** There is no legal concerns as this is an evolving document that will be altered as needed for the good of the Airport and the City of Ontario.

ALTERNATIVES:

The City Council could chose not to grant the wording change in the Airport's Operations Manual.

RECOMMENDATION:

Staff recommends changing the wording in part 1.7 B of the Airport Operations Manual as proposed.

ATTACHMENTS:

1. Airport Manual



City of Ontario

Municipal Airport Authority

Standard Manual of Airport Rules and Regulations



City of Ontario Municipal Airport Authority

Standard Manual of Airport Rules and Regulations

For the:

Ontario Municipal Airport – City of Ontario, Malheur County, Oregon

Adopted: December 2017

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SECTION 1 – DEFINITIONS

Unless specifically defined otherwise, or unless a different meaning is apparent from the context, the terms used in these Rules and Regulations shall have the following definitions:

The Ontario Municipal Airport is operated by the City of Ontario.

1. Aircraft – “Aircraft” shall mean a manned machine or device, such as an airplane, helicopter, glider, or dirigible, which is capable of atmospheric and navigational flight.
2. Airport – Shall mean all property and improvements within the boundary lines of any airport operated or controlled by the City of Ontario Airport Authority, except when otherwise noted.
3. Airport Authority – The City of Ontario Airport Authority here and after as the “Authority” and also referred to as the “Owner” of the municipal ramp and shall consist of the City of Ontario Council and City Manager.
4. Airport Manager – Means the chief executive officer for the Authority, who under administrative direction of the Authority, manages the operation, maintenance and development of the municipal Airport and performs other duties as assigned.
5. Airport Operations Area (AOA) – The area of the airport used for landing, take-off, or surface manoeuvring of aircraft, including the areas around hangars, navigation equipment, and communication facilities.
6. Apron or Ramp – The areas of the airport within the Airport Operations Area (AOA), equipped for loading, unloading, servicing, or parking of aircraft.
7. Authorized Area – A specific location, approved by the Authority, accessible only to specific authorized personnel.
8. Authorized Representative/Employee – An individual or individual(s) designated by the Airport Manager.
9. Cargo – Any property carried onto an aircraft, other than mail and baggage.
10. Commercial - An individual who, for compensation or hire, engages in air commerce, the carriage by aircraft of persons or cargo, other than as an air carrier or foreign air carrier or under the authority given by an administrator. Where it is doubtful that an operation is for “compensation or hire,” the test is whether the carriage by air is merely incidental to the person’s other business or is, in itself, a major enterprise for profit.
11. FAA – Federal Aviation Administration
12. Fixed Based Operator – Any person who shall have entered into a written agreement with the Authority for the use of any business located on the airport that provides services such as hangar space, fuel, flight training, repair, and maintenance to airport users, or any person or firm hired directly by the City of Ontario Municipal Airport Authority to act as a FBO.
13. Flammable Liquids – Any liquid substance that is combustible and can burn or cause a flame.

14. Instructor – Any individual giving or offering to give instruction in the operation, construction, repair or maintenance of aircraft.
15. Motor Vehicle – A self-propelled contrivance designed for the carriage of persons or things from point-to-point.
16. Non-Operating Aircraft – Any aircraft located on an airport which does not possess a current certificate of air worthiness issued by the Federal Aviation Administration, and is not actively being repaired to become an operating aircraft.
17. Person – Any individual, partnership, firm, corporation, company, or duly authorized representatives thereof.
18. Ramp – A particular area on a land airport, intended to accommodate aircraft for purposes of loading or unloading passengers or cargo, refueling and parking.
19. Regional Airport – Shall mean all aircraft movement areas which are accessible to civil aircraft under the existing Coast Guard Joint Use Agreement.
20. Restricted Area – Any area of the airport designated to prohibit or limit access to only those persons authorized by the Airport Manager.
21. Refueling Trucks – Means any motor vehicle used for the transporting, handling, or dispensing of aviation fuel, oils, and lubricants.
22. Rules and Regulations – Shall mean these Rules and Regulations of the Authority, adopted by the Authority, and may be amended from time-to-time by the Authority.
23. Runway – A restricted area used for take-offs and landings of an aircraft.
24. Taxiway – Portions of the Airport Operations Area (AOA) authorized by the Authority for the surface manoeuvring of aircraft.
25. Vehicle – Any device by which any person or property is or may be transported or drawn upon a highway, including bicycles.

SECTION 2 – GENERAL INFORMATION

PURPOSE

This document describes the Rules and Regulations for all users of the Airport owned and operated by the City of Ontario Municipal Airport Authority.

INTRODUCTION

Judicious and proper administration requires that rules and regulations that establish the minimum acceptable conduct for Airport users and employees are adopted. This requirement provides protection from irresponsible and/or unsafe operations.

APPLICABILITY

These Rules and Regulations apply to any person(s) or entity utilizing the Airport.

VIOLATIONS AND PROCEDURES

If the Airport Manager concludes that any of these Rules and Regulations have been disregarded, and that he/she cannot resolve the matter satisfactorily by notice to and discussion with the offending party, then formal action shall be taken against the party by the Airport Manager. These actions may include suspension of airport operations or revocation of the party's right to utilize the Airport. A person who has had their airport privileges suspended by the Airport Manager may appeal that decision to the Airport Authority. A written notice must be filed with the Airport Authority within 30 days of the effective date of suspension.

GENERAL AUTHORIZATION

In any circumstances not specifically covered by these rules and regulations, the Airport Manager shall be authorized to make reasonable decisions as can be deemed necessary and proper. All such actions may be subject to review by the Airport Authority. At all times, the Airport Manager shall have the authority to take reasonable action as may be necessary, including use of local law enforcement, to enforce these rules and regulations and to efficiently manage the airport and its operations.

AIRPORT OPERATIONS (PUBLIC USE)

The Ontario Airport is open to authorized airport users 24 hours a day, 7 days a week, unless closed due to weather or other emergency reasons or unless otherwise designated by the Airport Authority. The FBO (Fixed Based Operator) hours will be fixed by the FBO as per contract with the City of Ontario Municipal Airport Authority.

EFFECTIVE DATE

These Rules and Regulations shall become effective on December 2017.

SECTION 3 – GENERAL REGULATIONS

3.1 SCOPE

- A. All users of the Airport shall be governed by directions from the Airport Manager, these Rules and Regulations, and the directions of the City of Ontario Municipal Airport Authority (COMAA) or designated representative. These regulations are subject to change by the Airport Authority at any time, based on experience, need, and operating conditions.
- B. As a user of the airport and its facilities, each individual shall be obligated to obey all the regulations herein provided and adopted by the Authority.
- C. The privilege of using the airport shall be conditioned on the assumption that the user shall take on full responsibility and risk, and he shall release and hold harmless, and indemnify the FAA and Airport Authority, its officers, and employees from any liability of loss resulting from such use.

- D. The privilege of using the airport shall be upon the further condition that any person(s), corporations, co-partnership, or others desiring to use the same as Commercial Operator or Fixed Based Operator, shall produce a policy of indemnity against personal injury and property damage.
- E. Any person violating any of the airport Rules and Regulations may be punished at the discretion of the Airport Authority, or provided by law; deprivation of the use of the municipal airport facilities for a specific period of time as may be necessary.
- F. These regulations are not intended to supersede, modify, or amend any provision of Federal, State, or Local Law; however, these regulations shall as possible, be interpreted so that no conflict arises.
- G. If any portions of these Rules and Regulations prove to be invalid or unenforceable, all other portions of this document shall remain in effect to achieve purposes hereof.
- H. Any proposed changes to these Rules and Regulations shall be dated and posted by the Airport Authority at the airport for a period of (30) days. Comments on the proposed changes may be submitted by the general public in writing to the Authority, during this time period. After review of all comments, revisions may be made and the final draft of the proposed changes will be published. Copies of the changes will be posted at the airport and provided to all holders a copy of the manual.
- I. No person shall engage in a business or commercial operation on the Airport, without the approval of the Airport Authority or designated representative.
- J. The soliciting of business, fares, or funds for any purpose on the airport without the permission of the Airport Authority or designated representative is prohibited.
- K. No individual, partnership, corporation, or business shall construct any building, sign, or structure, or modify any pre-existing facility without permission and approval of the Airport Authority.

3.2 Lost Articles

All lost articles should be turned in to the Airport Manager by the finders. If the articles are not claimed within (60) days they shall be disposed of as determined by the Airport Manager.

3.3 Liability

The Airport Authority assumes no responsibility for loss, injury, or damage to any person(s) or property by reason of fire, theft, vandalism, wind, flood, earthquake, collision, lightning strikes, or acts of God, nor does it assume any liability for injury to person(s) while on the airport, or while using airport facilities.

3.4 Responsibility for Damages

Any person(s) causing damage to or destroying airport property of any kind, including buildings, fixtures, and facilities, shall be fully liable to the Airport Authority. Any and all damage shall be reported directly to the Airport Manager.

3.5 Accident Report

All person(s) involved in any accident, whether personal, aircraft, or automotive, occurring on the Airport, shall make a full verbal report to the Airport Manager as soon after the accident as possible, and in any event within 24 hours after it has occurred. Based on the verbal report, a written report may be required.

3.6 Ground Transportation

All carriers (Not defined) shall load and unload passengers in areas designated by the Airport Authority.

3.7 Building Requirements and Ground Rental

Any person desiring to construct any building or facility on the Airport shall be required to submit plans and specifications to the Airport Manager. The plans shall consist of: a general layout, drawn to scale, showing the desired amount of ground required for the operation of the building or facility, in addition to the portion occupied by the building or facility. All buildings and facilities constructed upon the Airport shall conform to the Building Code requirements of the state of Oregon, City of Ontario and Malheur County and be approved by the Airport Authority. Prior to any construction, all licenses and permits must be obtained. Once plans have been approved, a lease may then be entered into at the rate set by the Airport Authority.

3.8 Restricted Areas and Air Operations Areas

All areas of the airport, except the FBO building are restricted and no person shall enter upon the Air Operations Area, or any hangar, except:

Person(s) assigned to duty therein;

1. Authorized representative of the FAA/Airport Authority;
2. Passengers under appropriate supervision, entering the Air Operations Area for the purpose of deplaning and enplaning;
3. Aircraft Owners or Renters and/or their authorized representatives; and
4. Business representatives in the conduct of their business with the tenants.

SECTION 4 – PERSONAL CONDUCT

4.1 Compliance with Signs

All individuals shall observe and abide by all posted signs governing activities and/or demeanour of the respective individual while at the Airport.

4.2 Environment Pollution and Sanitation

While on Airport property, individuals shall limit activities in such a manner as not to cause littering or any other form of pollution.

- a. No person shall dispose of garbage, papers, or any other forms of trash including cigarettes, cigars, and matches, except in the receptacles provided.
- b. No person shall keep any uncovered trash containers in any area of the airport. Areas to be used for trash and garbage containers shall be designated by the Airport Authority. Such areas shall be kept clean and sanitary at all times.
- c. Any solid or liquid, which may be spilled at the Airport, shall immediately be cleaned up, by the person responsible for such spillage, and reported immediately to the Airport Manager of Operations.

4.3 Animals

No person shall enter the Airport with any animal without the permission of the Management, except;

- a. Dogs or other animals which are to be transported by air within a suitable container properly equipped for air travel.
- b. Dogs or other animals which are restrained by leash, or properly confined and under the supervision of an adult.

Animals shall be allowed to the extent mandated by applicable law, including "service animals" pursuant to the Americans with Disabilities Act.

4.4 Firearms and Weapons

- a. All applicable federal and state laws shall be followed with regard to firearms on the premises.

4.5 Preservation of Property

No person shall destroy, injure, deface, or disturb any building, sign, equipment, marker, or other structure on the Airport; nor alter, make revisions to, or erect any building or sign on the Airport without prior approval of the Airport Authority. No person shall travel upon any part of the Airport other than the designated roads, walks, or other marked rights-of-way provided by the Airport for specific purpose.

4.6 Damages and Tampering with Aircraft

All person(s) shall be fully responsible for all damages to buildings, equipment, and real property in the ownership or custody of the Airport Authority, caused by abuse, carelessness, or negligence. No person shall interfere or tamper with any aircraft, or use any aircraft, aircraft parts, instruments or tools, without the permission from the owner or by specific direction of the Airport Authority.

4.7 Maintenance and Equipment in Apron Area

All tenants shall maintain their leased property in such condition or repair, cleanliness, and general maintenance as acceptable to the Airport Authority. All ramp equipment shall be parked and kept in a neat,

orderly manner. No receptacles, cases, or housing shall remain on the apron or ramp area that does not fit in with architectural and cleanliness standards of the rest of the installation. Final approval of these items rests with the Airport Authority.

4.8 Alcoholic Beverages and Controlled Substances

1. No person under the influence of liquor or narcotic drugs shall operate any motor vehicle or aircraft of any type at the Airport.
2. The consumption of alcohol is not permitted on the Airport Property unless permitted in certain areas and times with the permission of the Authority.

4.9 Use of Law Enforcement Agencies

In the event a situation arises that is beyond the control of the Airport Management to deal with, the Ontario Police Department or the Malheur County Sheriff shall be called upon by the Airport Manager or the Airport Authority. The Airport Authority grants permission to the Malheur County Sheriff's Department and Ontario City Police Department to enter the premises and enforce the Rules and Regulations adopted by the Airport Authority.

4.10 Unaccompanied Minors

Unaccompanied minors under the age of 16 are not permitted on airport property without permission of the Airport Manager.

SECTION 5 - AERONAUTICAL

5.1 General Rules

- a. Compliance with Orders

All aeronautical activities shall be conducted in compliance with the then current Federal Aviation Regulations, with these Rules and Regulations, and with the then Authority Minimum Standards.

- b. Inattentive Operations Prohibited

1. No person shall operate any aircraft at the Airport in a careless manner or in disregard of the safety of others.
2. All individuals using the Airport shall be liable for any damage to property caused intentionally, accidentally, or by negligence on or over the Airport.

- c. Disabled Aircraft

All aircraft owners shall be responsible for the prompt removal of all disabled aircraft and their parts at the Airport, when directed by the Airport Manager.

- d. Cleaning, Maintenance, and Repair of Aircraft.

The cleaning, painting, washing, and repairing of any aircraft, shall only be permitted in approved areas by the Airport Authority.

- e. Certification of Aircraft and Licensing of Pilots

As required by the FAA, all aircraft operating at the Airport shall be required to display on board a valid Airworthiness Certificate issued by the FAA, and shall display on the exterior of the aircraft a valid registration number issued by the FAA or appropriate foreign government. All person(s) operating aircraft are required by the FAA to possess an appropriate certificate or license issued by the FAA. If requested by the Airport Manager, the pilot or operator shall be required to show these documents.

5.2 Accidents and Incidents

The pilot of any aircraft involved in an accident on the Airport causing injury or damage to any property other than the aircraft, shall make a prompt and complete written report concerning the accident or incident to the office of the Airport Manager within (48) hours of the time that the accident or incident first occurred. All incidents shall be reported in accordance with all FAA and NTSB regulations. Airport property destroyed or damaged by an accident shall be paid for by the responsible parties.

5.3 Categories of Aircraft, Activities, Rules and Operations

Final determination as to proper designation of any aircraft shall rest with the Airport Authority. Charges as shown in Section 8 shall be determined according to the following classifications:

- A. Private
 - 1. Private aircraft may be used by person(s) other than the owner provided that it is not rented or leased by the owner for a profit.
 - 2. Company and corporation owned aircraft that are operated for the free transportation of their and other personnel and/or products are classified as private aircraft and subject to the restrictions as listed above.
- B. Commercial Aircraft Use:
 - 1. For rental, hire, or charter
 - 2. Student instruction and occupations for hire
 - 3. Any aircraft used for commercial services and not otherwise covered in these regulations.
- C. Air Taxi (Commuters)
 - 1. Contract:

All federally certified Air Taxis or Commuters holding a contract with the Airport Authority for Airport usage.
 - 2. Non-Contract:

All Air Taxis or Commuters not covered in this Section.
- D. Rotorcraft Operation Rules

1. Rotorcraft shall avoid fixed wing aircraft traffic patterns and altitudes to the maximum extent possible, with safety precautions.
2. Rotorcraft shall not be operated within fifty (50) feet of any areas on the Airport where unsecured light aircraft are parked.

Aircraft Activities

1. No fixed wing or rotary wing aircraft shall be allowed to operate at the City of Ontario Municipal Airport unless the aircraft has a current Airworthiness Certificate and is operated by a licensed pilot or student pilot holding a valid medical certificate, except aircraft being taxied by a qualified mechanic for maintenance purposes or operated under a valid ferry permit.
2. The owners of all aircraft based on the Airport will register their aircraft with the Airport Authority.
3. All aircraft shall comply with all applicable Federal Aviation Regulations, including but not limited to:

Federal Aviation Regulations

1. Part 61 – Certification: Pilots & Flight Instructors
2. Part 65 – Mechanics 65.71 thru 65.95
3. Part 67 – Medical Standards and Certifications
4. Part 91 – General Operating & Flight Rules
5. Part 93 – Specific Air Traffic Rules & Airport Traffic Patterns
6. Part 135 – Air Taxi Operators & Commercial
7. Part 137 – Agricultural Aircraft Operators
8. Part 141 – Pilot Schools
9. Part 43.3g – Aircraft Owner Repairs/Preventive Maintenance
10. Part 145 – Repair Stations

National Transportation Safety Board Regulations:

1. Part 830 – Notification & Reporting of Aircraft Accidents

Airport Operations:

- a. The Airport Manager may prohibit aircraft movement at any time, under any circumstances when the Airport Manager deems necessary.

5.4 Taxi and Ground Rules

Aircraft Parking

- a. Aircraft may only be parked in designated spaces and in the manner prescribed by the Authority. If this rule is violated, the aircraft parked may be subject to removal by the direction of the Airport Authority.

- b. No aircraft shall be left unattended on the Airport unless it is in a hangar or securely locked or tied down.
- c. Any materials left in the aircraft are the sole responsibility of the aircraft owner/pilot. Theft or vandalism of any materials is not the responsibility of the Authority.

Non-Flyable Aircraft

- a. No person will be allowed to park an aircraft in non-flyable condition on Airport property, for period over (90) days, without written permission from the Authority.
- b. If an aircraft is parked or stored in non-flyable condition on the Airport, violating this Section, the Authority shall notify the owner or operator by certified or registered mail, requiring the removal of the aircraft within (15) days of the receipt of notice.
- c. Aircraft not removed as required will be removed by the Authority at the owner's expense.

Other

- a. Engine Run-up – Aircraft shall not perform run-up or prolonged engine test operations in any area that would result in a hazard to other aircraft, person(s), or property
- b. No person shall run any engine in any aircraft unless a competent person is in the aircraft attending the engine controls.

5.5 Use of T-Hangars and Storage Hangars

- a. T-hangars and storage hangars shall not be used for any purpose that would interfere with the use of other buildings and structures in the neighbourhood of the leased premises.
- b. T-hangars shall be used for storage of aircraft in accordance with the current lease. These hangars shall not be used for any other purpose without written permission from the Authority.
- c. No alterations may be made to the hangar structure without written approval by the Authority.

SECTION 6 – MOTOR VEHICLES

6.1 Rules of Operation

- a. No person will be allowed to operate a motor vehicle of any kind in a reckless manner or in excess of the speed limits prescribed by the Airport Authority, and in no event in excess of 15 miles per hour in ramp, apron, aircraft parking, and hangar areas.
- b. Pedestrians and aircraft will at all times have the right of way over vehicular traffic. All vehicles shall pass to the rear of taxiing aircraft.
- c. All person(s) operating a motor vehicle on the Airport shall give proper signals, and observe the directions of posted traffic signs.
- d. No person under the influence of alcohol or narcotic drugs shall operate a motor vehicle or aircraft on the Airport.

- e. No person shall operate any motor vehicle on the Airport overloaded or carrying more passengers than those for which the vehicles were designed.
- f. No vehicle shall be operated on the Airport if it is equipped or loaded as to endanger persons or property.

6.2 LICENSING, REGULATION, AND SPEED LIMITS

Licensing and Regulation

- 1. All motor vehicles will park in designated parking areas.
- 2. The installation of two-way radios does not permit the operation of vehicles on the Airport without prior permission by the Airport Manager.
- 3. No person shall abandon any motor vehicle on the Airport. The Airport Authority has the authority to tow or otherwise move motor vehicles which are parked by their owners on the Airport in violation of the designated parking areas.

6.3 Accident Procedure and Emergency

The operator of any vehicle involved in an accident on the Airport which results in injury or death of any person(s), or property damage, shall immediately stop the vehicle at the scene of the accident in order to render necessary assistance. The operator shall immediately give notice of the accident to the Airport Manager and the Ontario Police Department or County Sheriff Office. The operator of each vehicle shall provide the name and address of owner and driver of the vehicle, as well as the operator's license, vehicle registration, and the name of the liability insurance carrier for the vehicle, to any person injured, the driver of the vehicle damage, and to any police officer. In the event of an emergency on the Airport, notification should be given to the following:

- 1. The FBO Office (if in radio contact)
- 2. 911 Emergency Operator
- 3. The Airport Manager – Office: 541-881-8848 or cell: 541-212-1676

6.4 VEHICLE OPERATIONS ON AIR OPERATIONS AREA (AOA)

Permission

No motor vehicle shall be permitted on the Air Operations Area without specific permission granted by the Airport Manager. All vehicles shall at all times yield right-of-way to aircraft.

Rules of Operations

- a. No motor vehicle shall be parked on any part of the AOA except authorized trucks and other vehicles necessary for the servicing and maintenance of aircraft and transportation of passengers on the Airport.
- b. No person shall park a vehicle so that it blocks or obstructs: fire hydrants, gates, emergency exits, and building entrances or exits.
- c. Aircraft taxiing on any runway, taxiway, or apron area shall always have the right-of-way over any vehicular traffic.

6.5 Reserved and Public Parking

Public Parking

- a. Operators of motor vehicles using public parking facilities at the Airport shall abide by all regulatory signs and markings.
- b. No vehicle shall remain in the public parking facility for more than (30) consecutive days without the permission of the Authority.
- c. Reserved Parking

No person shall park any vehicle in any reserved parking area on the Airport without a valid permit issued by the Airport Authority permitting parking in such specified areas.

SECTION 7 – FIRE, SAFETY, AND HAZARDOUS CARGO

7.1 General

All persons using the Airport and its facilities shall exercise the utmost care and caution against fire and injury to persons and/or property.

7.2 Fueling Operations

- a. No aircraft shall be fueled or de-fueled while one or more of the engines are running, or the aircraft is then being warmed by external heat, or while such aircraft is in a hangar or enclosed space.
- b. No person shall start the engine of an aircraft if there is any gasoline or other volatile fluid on the ground or otherwise when starting the engine could ignite such fuel.
- c. All aviation fuels and oils for sale on Airport property shall be dispensed only by the Airport Authority or FBO Operator. No fuel shall be stored by any persons without the permission of the Airport Authority while on Airport property.
- d. Aircraft being fueled shall be positioned no closer than (10) feet from any hangar or building. Fuel trucks whether loaded or empty shall never be in hangars, nor be parked less than (10) feet from any hangar or building.
- e. No fuel, grease, oil, or flammable liquids shall be allowed to flow in any Airport sanitary or storm drain system. Any person(s) involved in a spillage of fuel shall be held responsible for expeditious

notification to the Airport Manager and will be held responsible for immediate clean-up of the affected area. In the event of a fuel spillage, no vehicles shall be moved or operated in the vicinity of the spill until the spillage is removed.

- f. No person is permitted to fuel or de-fuel an aircraft while passengers are on board.
- g. No person shall park motorized ground equipment near any aircraft that prevents it or the aircraft from being driven or towed away in case of an emergency.
- h. Prior to making a fueling connection to the Aircraft, the fueling equipment shall be physically bonded or grounded to the aircraft being fueled by use of a cable, thus providing a conductive path to equalize the electric potential between the fueling equipment and the aircraft.
- i. All hoses and funnels used in fueling and de-fueling operations shall be equipped with a bonding/grounding device to prevent ignition of volatile liquids.
- j. When a fire occurs in a fuel delivery device while servicing an aircraft, fueling shall be stopped immediately and all emergency valves shall be shut off. Then notify 911 and the Airport Manager immediately.

7.3 Authority to Dispense Aviation Fuel

Only those individuals who have been authorized by the Airport Manager or Authority may dispense fuel into any aircraft at the airport operated by the Authority.

7.4 Fuel Farm Installations and Fuel Transporting Vehicles

Fuel Farm Installations

- a. All fuel farm installation shall conform to the appropriate National Fire Protection Association Standards, City/County Fire Codes, Federal, State, and local laws. There shall always be NO SMOKING within (100) feet of the fuel farm installation.
- b. Fuel installations shall always be kept-up and maintained removing all debris in order to prevent FOD.
- c. Fire extinguishers shall always be maintained in an accessible position, and in an operable condition with an un-expired certification date.
- d. No fuel or fuel-transporting vehicle shall be left unattended during loading or unloading of fuel at a fuel farm.

Fuel Transporting Vehicles

Each fuel transporting vehicle will be labelled on both sides and rear of the cargo tank with the word "FLAMMABLE," "NO SMOKING," and "FUEL TYPE."

7.5 Smoking

Smoking or carrying lighted smoking materials or striking matches or other devices is only permitted in designated smoking areas.

7.6 Storage of Materials and Hazardous Materials

Storage of Materials

1. No person shall store any material or piece of equipment in such a manner that it becomes a hazard. Gasoline, jet fuel, lubricating oil, or any other flammable substance shall be stored in accordance with the applicable City and/or County Codes. Buildings shall be provided with fire-suppressant devices and first-aid equipment as required.
2. No person shall keep, transport, or store any lubricating oils on the Airport except in specified containers or receptacles and regulated amounts.
3. All hazardous waste shall be disposed of in accordance with applicable regulations.

Transport of Hazardous Materials

- a. No person shall handle, transport or store any cargo containing explosive materials without the permission of the Airport Authority.
- b. No person may accept any hazardous article for shipment at the Airport unless the shipment is handled and stored in full compliance with the current provisions of the Federal Regulations.
- c. Any person transporting hazardous articles shall have designated personnel at the Airport authorized and responsible for receiving and handling such shipments.

7.7 Aprons, Buildings, and Equipment

All persons on the Airport shall keep all areas of the premises leased or used by them clean and free of oil, grease and other flammable material. The floors of hangars shall be kept clean, free from waste materials or other trash or rubbish. Any person operating or using any equipment on the Airport shall use extreme caution and care. Any person using a facility or building of the Airport shall exercise cleanliness and caution. No person shall use flammable substances for cleaning hangars or other buildings on the Airport.

7.8 Fire Extinguishers

Fire extinguishing equipment at the Airport shall be checked regularly to avoid tampering. Fire extinguishers shall not be tampered with at any time, nor used for any purpose other than fire fighting or fire prevention. All equipment shall be maintained in accordance with current NFPA Standards. Tags showing the last inspection shall be attached to each unit. All tenants or lessees or any other occupants of hangars on the Airport shall supply and maintain an adequate number of readily accessible fire extinguishers.

7.9 Aircraft Suspected of Carrying Explosives

- a. Persons having knowledge of an aircraft carrying or suspected of carrying explosive materials will advise the Airport Manager and FBO (if in radio contact). The Airport Manager will notify the FBO ASAP.

- b. All passengers will be escorted off the aircraft onto the outer extremities of the AOA. The aircraft will then be parked at a location specified by the Airport Manager and or FBO, until the aircraft is determined safe.

7.10 Inspection of Possible Hazardous Aircraft

Inspection of the aircraft and subsequent declaration of safety or contamination shall be the responsibility of the aircraft owner or his authorized agent, and shall be accomplished immediately after parking and evacuation.

SECTION 8 - CHARGES

8.1 Commercial Operations

- a. No aircraft organization or person shall engage in any commercial operation of any type at the Airport unless prior permission is obtained from, and assessed fees paid to the Airport Authority. Permission and fees are in effect for each and every visit with the fee being set by the Airport Authority.
- b. The Airport Authority may enter into separate contracts with any commercial operation on the Ontario Municipal Airport.
- c. The Airport Authority may adopt a fee schedule to be applied for ramp operations by any commercial operator not having a contract with the Airport Authority, such fee schedule shall be placed at the Airport FBO Building and at the Office or at the office of the Airport Manager. Commercial operators shall pay a ramp fee for each ramp operation at the Airport or as per their contract.
- d. Private or business (non-commercial) ramp fees shall be posted on the Airport's schedule of fees. At the discretion of the Airport Manager fees are subject to change based on the weight of the aircraft.
- e. The Airport Authority may grant written permission for a specific commercial operator to enter the Airport for the purpose of repairing or maintaining an aircraft or equipment which is beyond the capability of any Fixed Based Operator located on the Airport. Capability of the A&P, IA as defined in FAR 65.71 thru 65.95. This privilege will be on a case-by-case basis and will require a separate agreement for each activity.
- f. Any permission granted by the Authority under this clause, will only be for a specific purpose and specific period.

8.2 Aircraft Servicing Fees

All charges owed to the Airport Authority for service performed, for Airport facilities used and for aircraft stored on a daily basis shall be paid before the aircraft is cleared from the Airport, unless credit arrangements have been made. The Airport Manager may detain any aircraft for non-payment of any charges due.

8.3 Ramp Fees

Landing fees for commercial aviation operations shall be payable to the Authority or its designated representatives immediately upon landing at the airport unless other arrangements have been made.

8.4 Aircraft Parking Fees

Aircraft parking on ramp areas shall be appropriately charged.

SECTION 9 – PROCEDURE FOR RECEIVING AND PROCESSING APPLICATIONS

9.1 Applicant

Any applicant wishing to establish commercial operations on the airport shall be furnished a copy of the minimum standards, attached, and shall make application in writing to the Airport Authority, setting forth in detail the following:

- a. The name and address of the applicant;
- b. The proposed land use, facility and/or activity sought
- c. The names and qualifications of the personnel to be involved in conducting such activity;
- d. The financial responsibility and technical ability of the applicant and operator to carry out the activity

9.2 General Information

- a. Upon the filing of any application with the Authority; it shall be immediately referred to the appropriate committee and considered at the next scheduled meeting. If no meeting is scheduled within (45) days from the filing of an application, a meeting shall be called for considering the application and notice will be given to the applicant. Upon consideration of the application the Airport Authority shall determine whether or not the applicant meets the standards and qualifications established in the Rules and Regulations.
- b. Upon approval of the application, the Airport Authority shall prepare a suitable lease or contract agreement setting forth the terms and conditions under which the commercial operation shall be conducted, with the applicant.
- c. Any rejected application shall be returned to the applicant within (10) days of the rejection with a written explanation of the reason for rejection.

SECTION 10 – SPECIAL AIRPORT USES

The Airport Authority obligates itself to operate the Municipal Airport for the use and benefit of the public and to keep the airport open to the various types of aeronautical use for which the facility is designed and intended to serve.

The Airport Authority established these rules to be met by all users so as to provide for the safe and efficient use of the airport and to otherwise protect the safety of person(s) and property both on the ground and in the air.

10.1 Landing Facilities

The landing area facilities that are constructed are primarily intended for the use of powered aircraft whose weights are not in excess of the published strengths of the paved surfaces. Operations on these surfaces by aircraft slightly in excess of the published pavement strengths may be permitted on an infrequent basis. Permission must be obtained from the Airport Authority for use of runways and taxiways by overweight aircraft and the use of the Municipal Ramp.

10.2 Operations of Non-powered Aircraft

No operations involving non-powered aircraft, including gliders, balloons, parachuting, and other special classes of activities, will be permitted on the Airport without the prior written approval of the Airport Authority.

10.3 Crop Dusting

Any person seeking to conduct crop dusting or spraying of agricultural chemicals shall be required to satisfy the Airport Authority that:

- a. Suitable arrangements have been provided for the safe storage and containment of chemical materials; no poisonous or inflammable materials shall be kept or stored in close proximity to other facility installations at the Airport.
- b. The operator shall have available, properly certified suitably equipped agricultural operation undertaken.
- c. No crop dusting operations shall be conducted on the principal public use apron or ramp of the Airport.
- d. All operations will be in accordance with all appropriate Federal Aviation Regulation, and State and Local Regulations concerning the handling of pesticides and other substances.

10.4 General

- a. No operations involving unlicensed or unregistered aircraft will be permitted on the Airport without prior approval of the Authority.
- b. The Airport will not participate in non-aeronautical events that will conflict with its aeronautical use.

SECTION 11 - MISCELLANEOUS

THE FOREGOING RULES AND REGULATIONS ARE ADOPTED BY THE CITY OF ONTARIO MUNICIPAL AIRPORT AUTHORITY AT A REGULARLY SCHEDULED MEETING ON THE ____ DAY OF _____, AND BECOME EFFECTIVE IMMEDIATELY.

APPENDIX:

MINIMUM STANDARDS FOR COMMERCIAL OPERATIONS AND FIXED BASE OPERATORS

1.1 General

- A. The following minimum standards shall apply to all operations; however, all the activities listed may not be provided, depending on the lease agreement executed between the Airport Authority and the operator.
- B. No commercial operator shall be allowed to operate on the Airport without a lease agreement with the Authority. Any operator whose principal place of business is located other than on the Ontario Municipal Airport and who further has a valid contract with another airport sponsor, may not be required to maintain facilities at the Airport.
- C. The Airport Authority shall determine all substantial conformances to the standards for all operators. Also, all operators must show financial solvency and business ability to the satisfaction of the Airport Authority.
- D. The minimum liability insurance that a fixed base operator shall carry including: general liability, product liability, and premise liability, is **\$1,000,000**. Hangar's keeper/property damage insurance will be decided between the Airport Authority and the operator, but in no case will be less than **\$100,000**. All policies required by this section will name as insured, the Airport Authority, its officers, members, and employees, and will contain a provision which will require the insurance carrier to notify the Authority at least (10) days in advance of cancellation, or change in coverage.
- E. All operators will be required to provide the Airport Authority a performance bond commensurate with any construction required under the minimum standards service to be performed.
- F. All construction shall be in accordance with design and construction standards established by the Airport Authority and approved by the Federal Aviation Administration for the facility involved.
- G. All airport mechanics and inspectors shall carry a **\$1,000,000.00** liability policy naming the Ontario Municipal Airport Authority as co-insured, have written authorization for each occurrence from the Airport Authority, and shall be charged a fee for each occurrence on the Airport.

1.2 Aircraft Maintenance and Repair

All person(s) operating aircraft, engine, or accessory maintenance facilities shall provide:

- A. Hangar space to house any aircraft upon which such service is being performed.
- B. Suitable storage space for aircraft waiting for maintenance or delivery after repair and maintenance has been completed.
- C. Sufficient shop space to house equipment and adequate equipment and machine tools, jacks, lifts, and testing equipment to perform top overhauls as required for FAA certification and repair of parts not needing replacement on all single engine land and light multi-engine land general aviation aircraft.
- D. At least one FAA certified air frame and engine mechanic available during reasonable hours.
- E. Separate space where adequate exhaust type work may be performed.
- F. Appropriate insurance
- G. Non-airworthy aircraft shall be screened from public view

1.2 Flight Training

All person(s) conducting flight training activity shall provide:

- A. At least one certified flight instructor for single engine aircraft. At least one dual equipped single engine land aircraft properly equipped and maintained for flight instruction.
- B. Certified instructor providing ground school instruction sufficient enough to enable students to pass the written FAA examinations.
- C. Public liability and property damage insurance to protect the operator and the Airport Authority from legal liabilities and shall provide liability insurance of at least \$1,000,000 per passenger seat and property damage liability of at least \$1,000,000.

1.4 Aircraft Rental

All person(s) conducting aircraft rental activity shall provide:

- A. Hangar or parking for at least one aircraft to be used as a rental.
- B. At least one airworthy aircraft maintained and certified.
- C. Current up-to-date specifications and price lists for types and models of rental aircraft.
- D. Appropriate Insurance.

1.5 Miscellaneous Operations

Radio and instrument repairs, aerial advertising, and other activities may be conducted by any person, firm, or corporation, upon application and approval from the Airport Authority. Reasonable terms and conditions will be established by the Airport Authority.

1.6 Hangar Space

Facility requirements will be adequate and reasonable for the services offered to operators such as: hangar space, office and lounge areas and aircraft parking.

1.7 Minimum Standards, New Construction

All new hangars shall:

- A. Contain a minimum of 1400 square feet of floor space. Maintenance shops shall contain a minimum of 1400 square feet of floor space.
- B. ~~Be of metal or masonry construction.~~ Have the exterior be of metal or masonry construction and have a full concrete slab floor. Wood construction is allowed. The interior shall be constructed based on specific uses required, as long as it meets State and Local Codes. All new construction will meet State and Local Codes.

1.8 Aircraft Parking Aprons and Services

All new parking aprons and services provided shall:

- A. Be constructed accordingly to plans and specifications approved by the Airport Authority. Aircraft parking aprons may be required for operators handling aviation petroleum products and aircraft repair.
- B. Be provided on a fair, equal, and not unjustly discriminatory basis to all users of the airport. The prices charged for products on the Airport shall be fair and reasonable.

AIRPORT AUTHORITY SECURITY MEASURES

Please contact the [Airport Manager](#) for more information on the airport's security measures



**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Daniel Beaubien, Airport Manager

THROUGH: Adam J. Brown, City Manager

SUBJECT: **BID AWARD: BOISE RIVER FENCE PROJECT AT ONTARIO MUNICIPAL AIRPORT**

DATE: November 1, 2018

PROPOSED MOTION:

I MOVE THAT THE CITY COUNCIL APPROVE THE BOISE RIVER FENCE CONSTRUCTION PROJECT AT THE ONTARIO MUNICIPAL AIRPORT.

SUMMARY:

The FAA awarded a grant to provide a partial perimeter fence and security gates at the Ontario Airport in an effort to help the city better protect the assets within the Airport's boundaries.

BACKGROUND:

After the approval from the FAA to move forward with the fence grant, a contractor bid was put out. Boise River Fence was the sole bidder for the project.

CURRENT SITUATION:

The City Council must officially award the contract to Boise River Fence.

ANALYSIS:

- A. **FINANCIAL** The project cost is set at \$386,026.00. The FAA will provide \$347,423.00, and the State of Oregon will contribute \$22,700.00, leaving the city responsible for only \$15,903.00 to finish the total cost.
- B. **TIMING** Timing is important as the project is underway.
- C. **POLICY/LEGAL** It is the policy of the City of Ontario of approve the award of contracts.

ALTERNATIVES:

The city could choose not to approve the FAA grant funding expenditure for the airport.

RECOMMENDATION:

Staff recommends approving the FAA awarded grant for the fence project and moving forward.

ATTACHMENTS:

1. Bid Summary - Boise River Fence

BID SUMMARY				
PROJECT TITLE:		ONTARIO MUNICIPA AIRPORT -Install Perimeter Fence and Security Gates		
PROJECT NUMBER:		AIP 3-41-0044-014-2018		
OWNER:		City of Ontario, Oregon		
ENGINEER:		J-U-B Engineers, Inc.		
PROPOSAL OPENING:		4/18/2018 3:00 PM		
LOCATION:		Ontario City Hall, Upstairs Council Chambers		
BID INFORMATION:				
CONTRACTOR:	ENGINEER'S ESTIMATE	BOISE RIVER FENCE, INC.		
Bid Proposal (Signed)		X		
Bid Schedule of Items & Prices		X		
Acknowledgement of Addenda (#1)		X		
Bid Bond or Certified Check		X		
Statement of Bidders Pre-Qualifications		X		
Cert of Bidder Regarding Tax Delinquency		X		
Buy American Certificate		X		
Trade Restriction Cert		X		
Restrictions on Federal Public Works Projects		X		
Plan Holder		X		
Bid Schedule A	\$107,578.50	\$151,584.00		
Bid Schedule B	\$87,919.50	\$133,282.00		
Bid Total	\$195,498.00	\$284,866.00		
Bidder Rank		1		

BID SCHEDULE "A" INSTALL SECURITY GATES**City of Ontario, Oregon****ONTARIO MUNICIPAL AIRPORT****AIRPORT IMPROVEMENTS FY 2018****FAA AIP PROJECT NO. 3-41-0044-014-2018**

Item No.	Spec. No.	Description	Estimated Quantity	Unit Measure	Engineer's Estimate		OISE RIVER FENCE, IN					
					Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	P-102-3.1	Mobilization/Demobilization	1	L.S.	\$7,500.00	\$7,500.00	\$10,000.00	\$10,000.00				
2	P-103-4.1	Airport Safety and Security	1	L.S.	\$2,500.00	\$2,500.00	\$2,000.00	\$2,000.00				
3	F-162-5.1	Remove Existing Fence	59	L.F.	\$6.50	\$383.50	\$6.00	\$354.00				
4	F-162-5.2	Remove Existing Manual Gate	2	EA.	\$275.00	\$550.00	\$300.00	\$600.00				
5	F-162-5.3	7-ft Chain-Link Fence with 3 Strands of Barbed V	1,110	L.F.	\$19.50	\$21,645.00	\$33.00	\$36,630.00				
6	F-162-5.4	18-ft Cantilever Electronic Sliding Gate	3	EA.	\$25,000.00	\$75,000.00	\$34,000.00	\$102,000.00				
BID SCHEDULE "A" TOTAL					\$107,578.50		\$151,584.00		\$0.00		\$0.00	

BID SCHEDULE "B" INSTALL PERIMETER FENCE

City of Ontario, Oregon

ONTARIO MUNICIPAL AIRPORT**AIRPORT IMPROVEMENTS FY 2018****FAA AIP PROJECT NO. 3-41-0044-014-2018**

Item No.	Spec. No.	Description	Estimated Quantity	Unit Measure	Engineer's Estimate		BOISE RIVER FENCE, INC					
					Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	P-102-3.1	Mobilization/Demobilization	1	L.S.	\$5,500.00	\$5,500.00	\$1,000.00	\$1,000.00				
2	P-103-4.1	Airport Safety and Security	1	L.S.	\$1,500.00	\$1,500.00	\$500.00	\$500.00				
3	F-162-5.1	Remove Existing Fence	493	L.F.	\$6.50	\$3,204.50	\$4.00	\$1,972.00				
4	F-162-5.3	7-ft Chain-Link Fence with 3 Strands of Barbed W	3,770	L.F.	\$19.50	\$73,515.00	\$33.00	\$124,410.00				
5	F-162-5.5	20-ft Double Swing Access Gate	3	EA.	\$1,400.00	\$4,200.00	\$1,800.00	\$5,400.00				
BID SCHEDULE "B" TOTAL						\$87,919.50		\$133,282.00		\$0.00		\$0.00



**AGENDA REPORT
NEW BUSINESS
November 8, 2018**

To: Mayor and City Council

FROM: Kari Ott, Finance Director

THROUGH: Adam J. Brown, City Manager

SUBJECT: NONCOLLECTABLE DELINQUENT ACCOUNT WRITE-OFFS

DATE: November 1, 2018

PROPOSED MOTION:

I MOVE TO APPROVE THE WRITE-OFF OF THE GILLINGHAM LID 45 LOAN AND SOUTH GEORGIA EQUIPMENT RENT OWED AND TO SEND THE SOUTH GEORGIA EQUIPMENT ACCOUNT TO COLLECTIONS.

SUMMARY:

There are two customer accounts that need written-off as uncollectible.

BACKGROUND:

As required by the Allowance for Bad Debts and Write-Offs policy, the Council is required to approved accounts to write-off before they are written off and/or sent to collections. There are two accounts proposed to write-off.

CURRENT SITUATION:

1. South Georgia Equipment owes the City \$7,500 for rent of the old city shop. The City Attorney has looked into this company and believes it will be best to send this account to collections to attempt to collect funds. This is a good size account and the collections agency would have motivation to work to collect.
2. Gillingham LID 45 loan with an outstanding balance of \$35,684.33. The city had a lien on the property, but the money was not owed personally. Larry Gillingham quit paying the loan in 2008 and the county foreclosed in 2012. After the city received the notice to lien holders from the county, nothing was done and the county sold the property to Namba Farms in 2015. According to the City Attorney, there is no way to collect this money so it will just need written-off the books.

ANALYSIS:

- A. **FINANCIAL** This would write the two accounts off from the books. Hopefully, a portion of the \$7,500 rent owed will be collected in the future by the collections agency.
- B. **TIMING** The Finance Department would like to send the South Georgia account to collections as soon as possible. The Gillingham loan could be removed from balances in the 2018 audit if the account is written off soon.
- C. **POLICY/LEGAL** These write-offs need to be approved by the Council per the allowance for doubtful accounts policy.

ALTERNATIVES:

- A. Take No Action - The Council could take no action on this matter; this would leave the past due accounts on the city books which most likely will never be collected.

RECOMMENDATION:

Staff recommends the City Council approve the write-off of the two accounts and sending the South Georgia account to collections.

ATTACHMENTS:

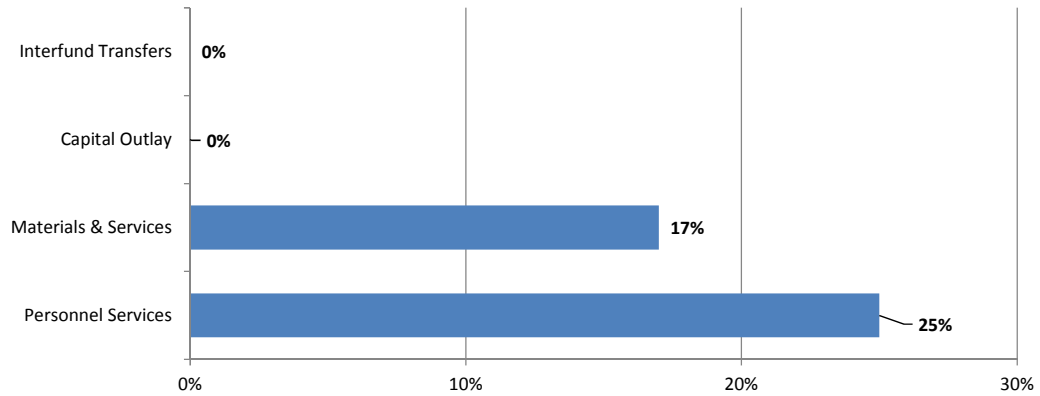
None

**CITY OF ONTARIO
GENERAL FUND - DEPARTMENT EXPENSE
FOR THE PERIOD ENDED
SEPTEMBER 30, 2018**

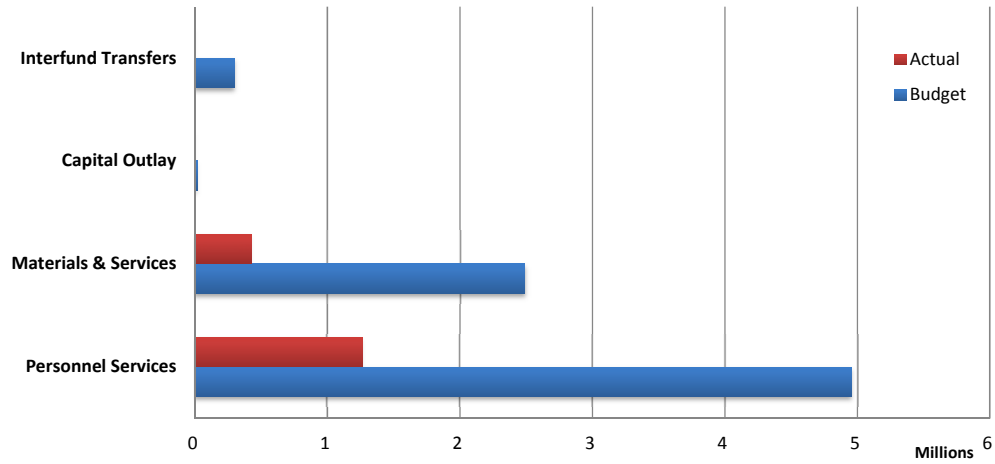
DEPARTMENT	BUDGET	ACTUAL	% EXPENDED	COMMENTS
Parks	130,374	53,536	41.1%	contract paid month ahead timing, soccer officials
Recreation	119,616	41,427	34.6%	
Parks & Recreation	249,990	94,963	38.0%	
Fire	1,436,598	352,332	24.5%	total software cost paid
Code Enforcement	126,154	32,314	25.6%	
Police	3,286,782	815,525	24.8%	
Police reserves	2,000	-	0.0%	
Public Safety Total	4,851,534	1,200,171	24.7%	
Administration	470,084	98,062	20.9%	contract paid month ahead Large portion of licenses paid already
City Council	25,292	2,950	11.7%	
Business Registration	1,100	5	0.5%	
Cemetery	116,418	42,887	36.8%	
Finance	234,857	49,049	20.9%	
Technology	108,606	30,425	28.0%	
General Government Total	956,357	223,379	23.4%	
Community development	163,760	36,484	22.3%	
Community Development	163,760	36,484	22.3%	
Administrative Overhead	1,259,111	123,260	9.8%	
Other Total	1,259,111	123,260	9.8%	
Operating Transfers Out	267,157	-	0.0%	
GENERAL FUND TOTALS	\$ 7,747,909	\$ 1,678,258	21.7%	
YTD BUDGET BENCHMARK			25.0000%	

**CITY OF ONTARIO
GENERAL FUND - DEPARTMENT EXPENSE
FOR THE PERIOD ENDED
SEPTEMBER 30, 2018**

% Expended by Category



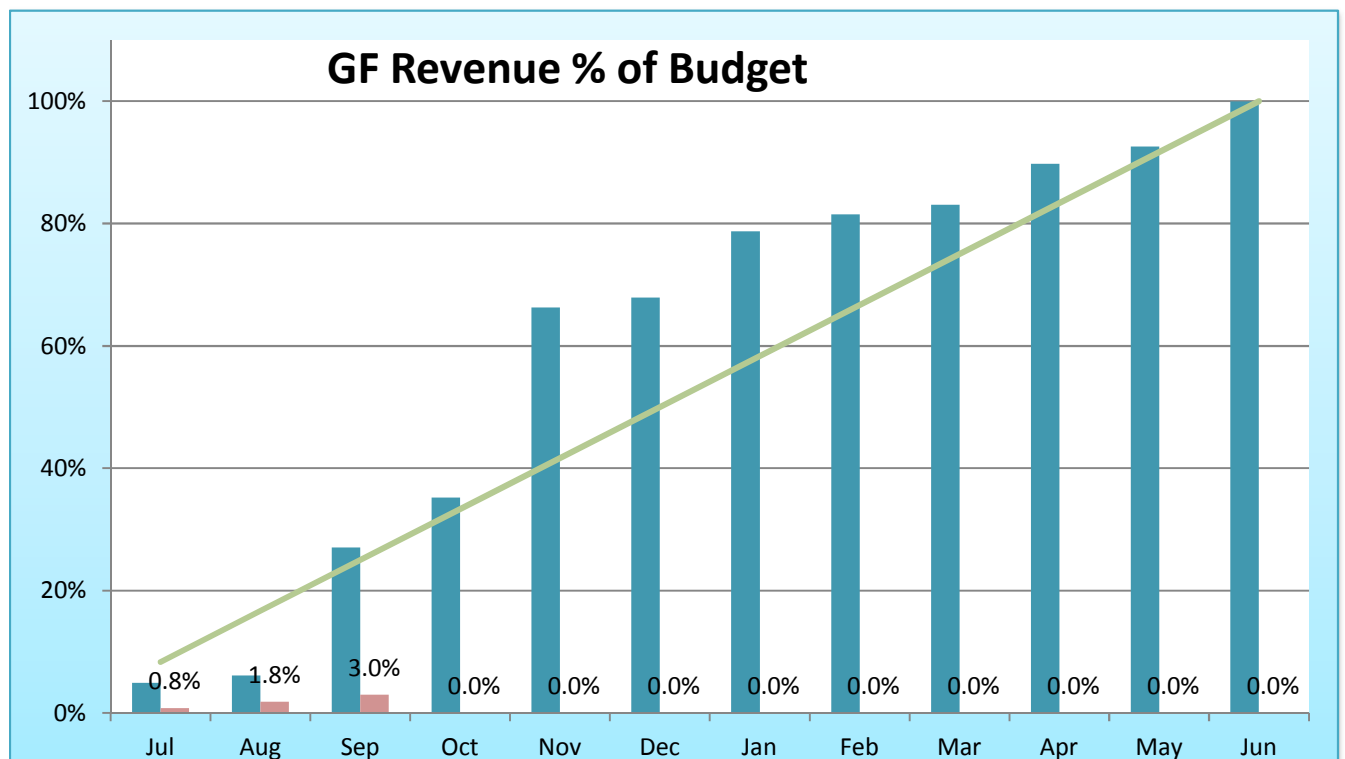
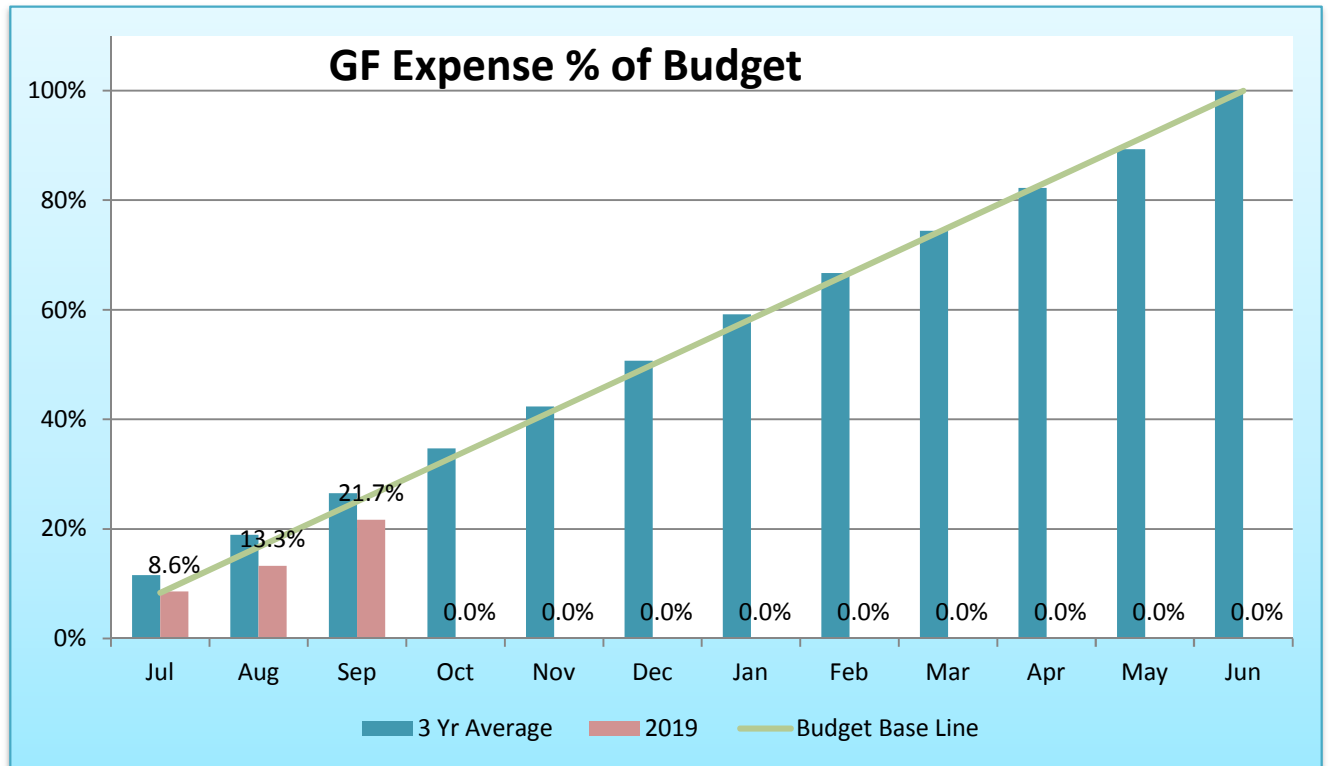
Budget to Actual by Category



**CITY OF ONTARIO
GENERAL FUND - DEPARTMENT REVENUE
FOR THE PERIOD ENDED
SEPTEMBER 30, 2018**

DEPARTMENT	BUDGET	ACTUAL	% REALIZED	COMMENTS
GENERAL FUND BEGINNING FUND BALANCE	2,449,445		0.0%	(not calculated in totals)
Parks	51,900	8,558	16.5%	
Recreation	16,873	8,773	52.0%	
Parks & Recreation	68,773	17,332	25.2%	
Fire	134,372	34	0.0%	Quarterly payments rural fire Civil penalties higher revenue
Code Enforcement	21,050	16,750	79.6%	
Police	420,010	31,768	7.6%	
Public Safety Total	575,432	48,552	8.4%	
Interest	35,000	14,152	40.4%	Interest rates keep raising Quarterly payments
State Revenue Sharing	124,887	-	0.0%	
PERS Allocation Transfer	146,480	-	0.0%	
Administrative Services	497,148	124,287	25.0%	
Other General Revenues	12,655	2,806	22.2%	
Property Taxes	3,634,901	49,991	1.4%	
Alcohol Bvg License & Fee	188,355	16,169	8.6%	
Cigarette tax	14,362	1,414	9.8%	
Franchise Fees	1,648,374	637	0.0%	Quarterly payments
Business Registration	1,700	275	16.2%	
Cemetery	51,750	3,575	6.9%	
General Government Total	6,355,612	213,307	3.4%	
P&Z Hearings	4,000	815	20.4%	
Application Fees	300	-	0.0%	
Community development	4,300	815	19.0%	
GENERAL FUND REVENUE TOTALS	\$ 7,004,117	\$ 280,006	4.0%	
YTD BUDGET BENCHMARK			25.0%	 -21.0%

**CITY OF ONTARIO
GENERAL FUND
FOR THE PERIOD ENDED
SEPTEMBER 30, 2018**



**CITY OF ONTARIO
OTHER FUNDS - DEPARTMENT EXPENSES AND REVENUE
FOR THE PERIOD ENDED
SEPTEMBER 30, 2018**

DEPARTMENT/FUND	EXPENDITURES				REVENUES		
	BUDGET	ACTUAL	% EXPENDED		BUDGET	ACTUAL	% REALIZED
005 Golf Course Fund	6,000	-	0.0%		6,000	-	0.0%
010 Grant Fund	386,476	18,433	4.8%		386,476	8,563	2.2%
027 Building Fund	153,475	27,841	18.1%		192,475	68,388	35.5%
030 Capital Projects Fund	1,479,704	175,178	11.8%		3,875,536	164,016	4.2%
031 SDC Fund	340,221	-	0.0%		340,221	7,280	2.1%
035 Debt Service Fund	58,665	29,642	50.5%		81,380	2,613	3.2%
045 Street Fund	2,244,985	598,995	26.7%		2,244,985	388,267	17.3%
050 Trust Funds	636,825	79,750	12.5%		793,480	95,952	12.1%
055 Reserve Funds	678,284	-	0.0%		2,360,576	88,860	3.8%
060 Revolving Loan Fund	546,834	10,700	2.0%		546,834	1,288	0.2%
065 Aquatic Donation Fund	25,814	-	0.0%		25,814	-	0.0%
105 Water Fund	3,156,064	800,420	25.4%		4,516,458	1,007,097	22.3%
110 Sewer Fund	3,107,885	689,589	22.2%		5,338,610	794,589	14.9%
115 Storm Sewer Fund	233,720	30,824	13.2%		615,981	27,605	4.5%
120 Airport Fund	122,976	33,826	27.5%		122,976	54,248	44.1%
125 Aquatic Fund	573,305	5,243	0.9%		573,305	16,751	2.9%
YTD BUDGET BENCHMARK			25.0%				



Quarterly Business Report

July ~ August ~
September 2018





Field Services

- ❧ Crew preparing patches for new asphalt.
- ❧ Jacobs crew paving around catch basin at BLM.



Field Services

- ☞ SunRoc paving parking lot at Annex building.





Field Services

- ❧ Unfinished drainage swale for Annex parking lot.
- ❧ Completed drainage swale for Annex parking lot.



Field Services

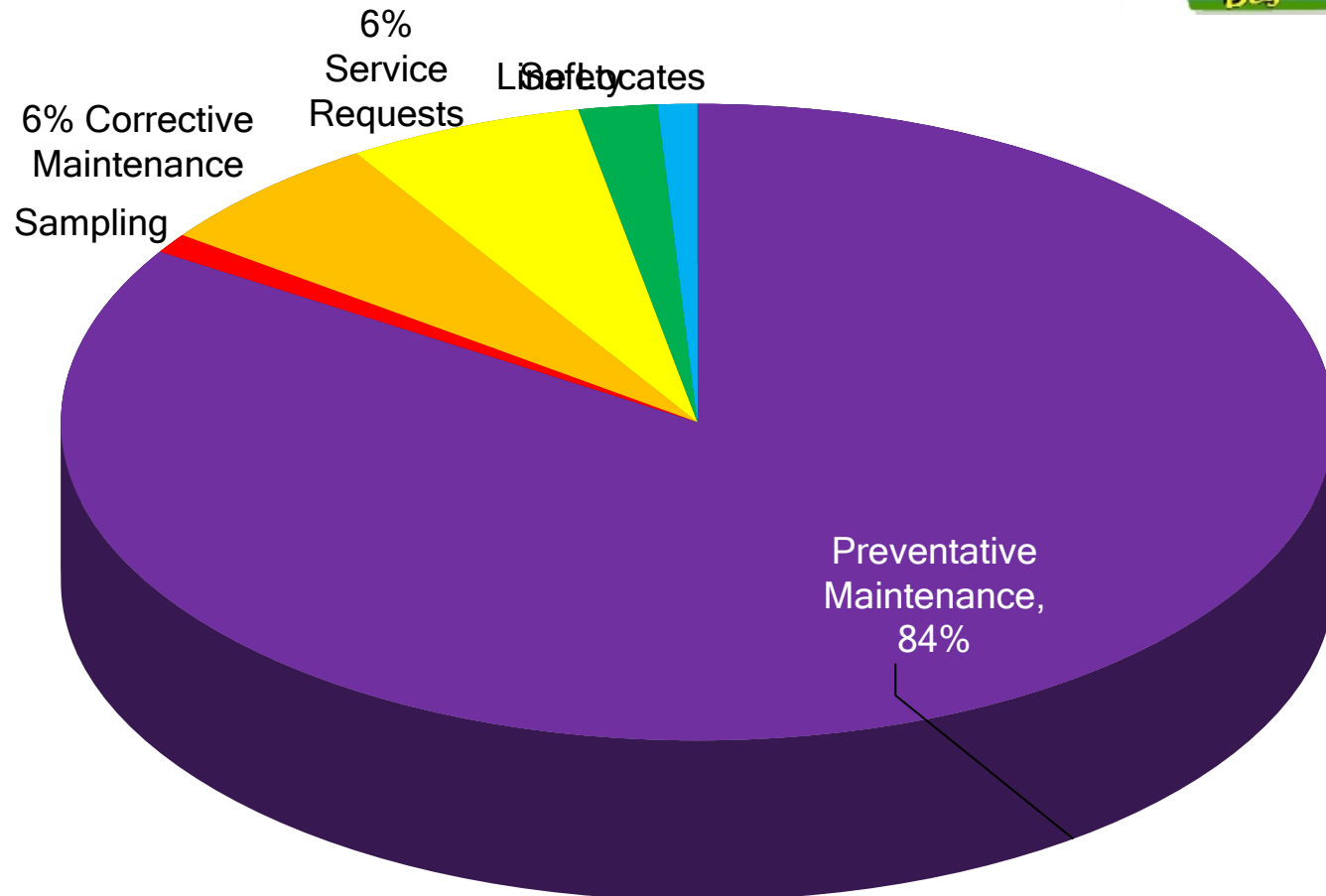
- ↪ Jacobs crew painting cross walk bars.





July ~ August ~ September
2018

Work Orders by Work Order Type



Quarterly Report Presentation

Water Treatment Plant

- Staff performing lab analysis.

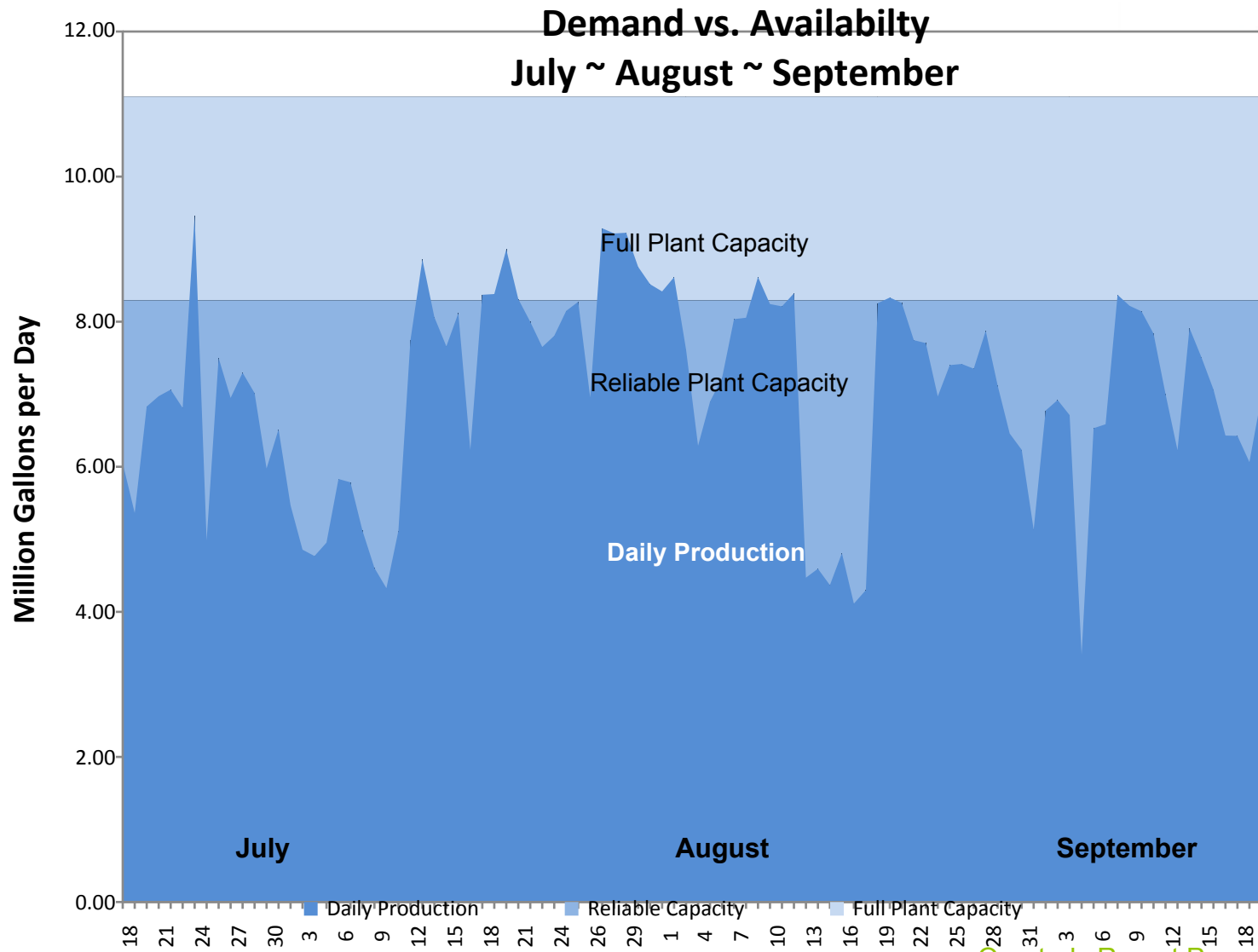




Water Treatment Plant

- ↻ Installation of new pump and column on Well #4

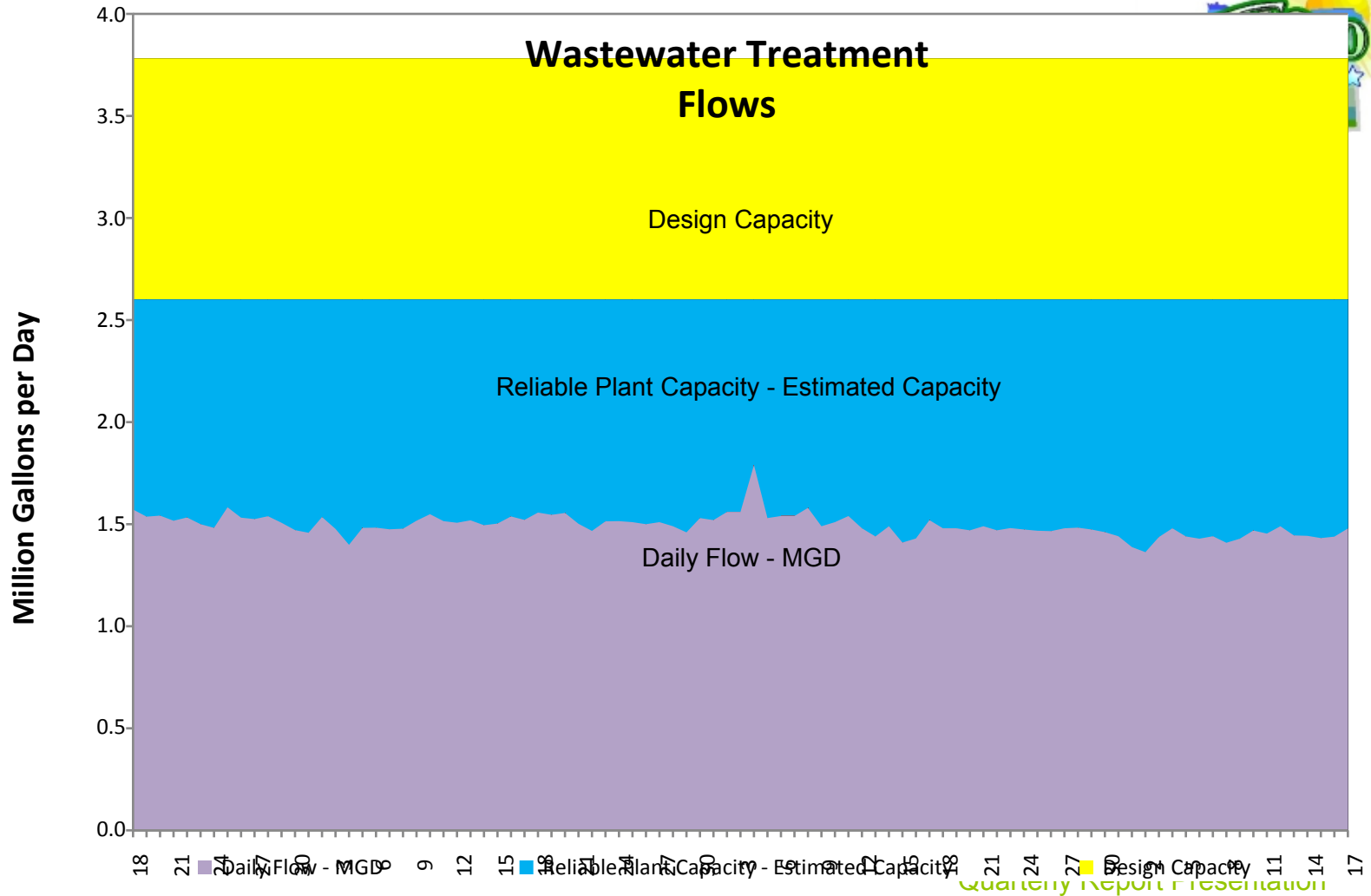




Wastewater Treatment Plant

- Instructor giving direction on loader operation during training.





Parks and Cemetery

- ❧ Jacobs employee working on new cement pad for Buddy bench at Lion's Park.



Parks and Cemetery

- ✧ Completed “Buddy Bench” project.



Parks and Cemetery



- ❧ Jacobs crew removing Merri-Go-Round from Laxon Park for repairs.



Quarterly Report Presentation

Engineering Division

- ↻ Jacobs staff providing oversight and construction inspection.





JACOBS®

“Beautifying your streets, one tree at a time.”

11/1/2018

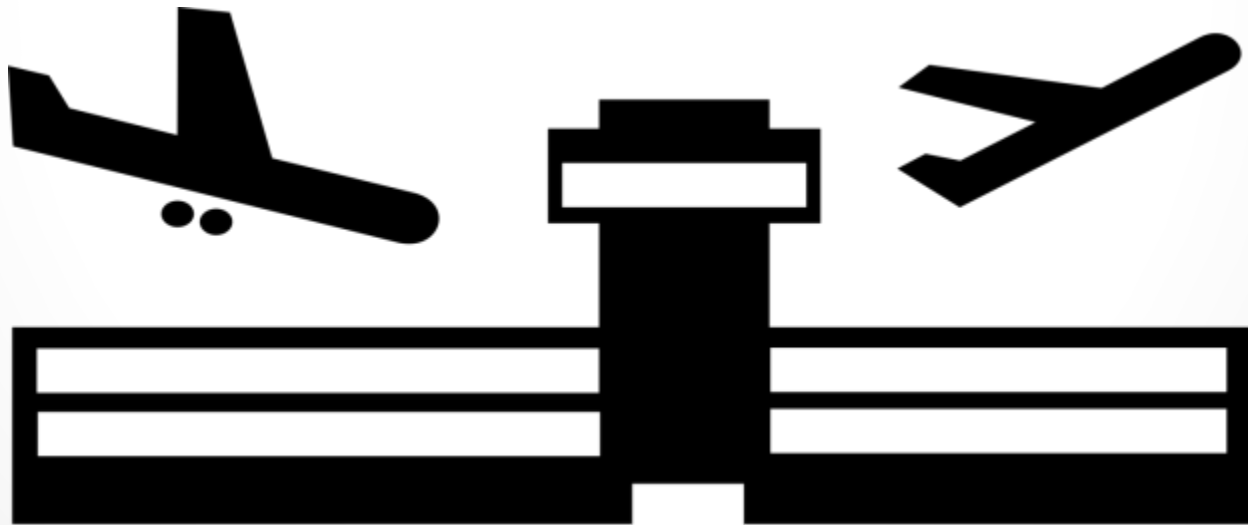
Airport Manager's Report



July -October
2018



July



- Jaelen Groves, OHS senior, volunteered at the airport
- Equipment search continued
- Mowing and spraying weeds continued
- 240 gallons of chemical were sprayed on July 4
- Airport Routines: moving gopher traps, mowing, sprinkler repairs, airport lighting repairs, climbing the beacon tower, updating hangar leases, working with the Oregon Dept. of Aviation and Federal Aviation Administration











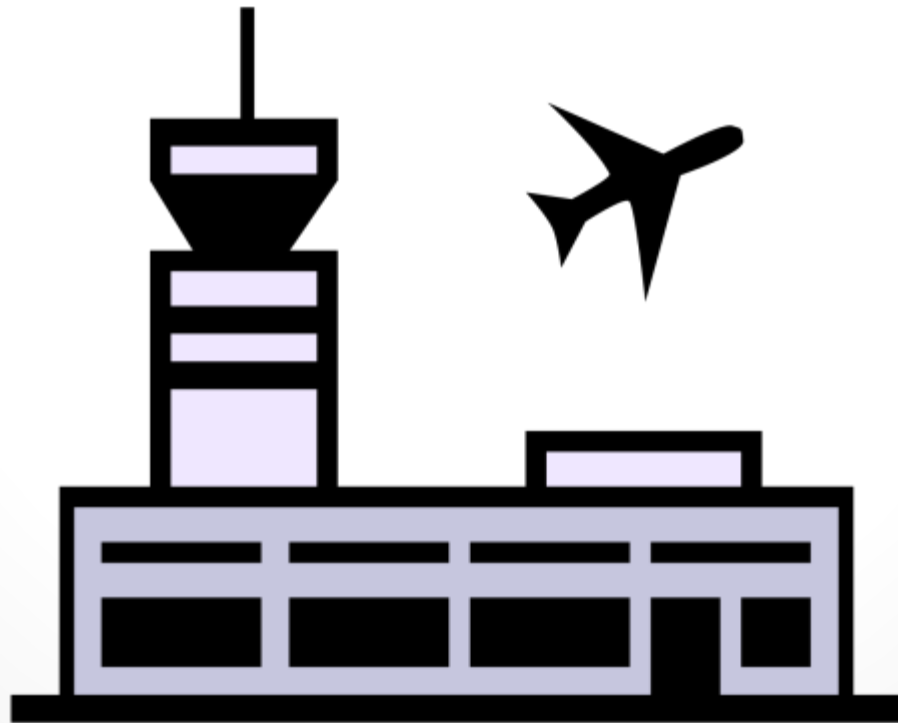




- Completed the Snake River Valley Experimental Aircraft Association hangar lease designated for youth. This provides hangar space for building aircraft and meeting rooms.
- Moved the irrigation ditch pipe to improve flow
- Continued clean up near the trailer park
- Early morning police photo in a private hangar
- Airport committee meeting



August



- Used the loader to clean up the grounds and remove trees
- Gave instruction on the spill prevention plan to the BLM and SEAT plane pilots- Used big, green handle
- Fixed the beacon light again
- Auto club cars on abandoned runway, also police, fire and busses
- FAA investigations of non-pilots- Used the airport manual to enforced safety
- Picked up old leases, took them to the airport
- Senior pictures, Jaelen off to school









- Began discussions with spray pilots about reportable quantities of chemicals on the airport

Solution – using online tracking sheets



- Lost simulator at airport due to band width issues

- Toured airport with Adam Brown and Matt Layer from Oregon Dept. of Aviation

- Began dialogue with Alan Alexander, head of Oregon Airport Managers Association

- Airport committee meeting

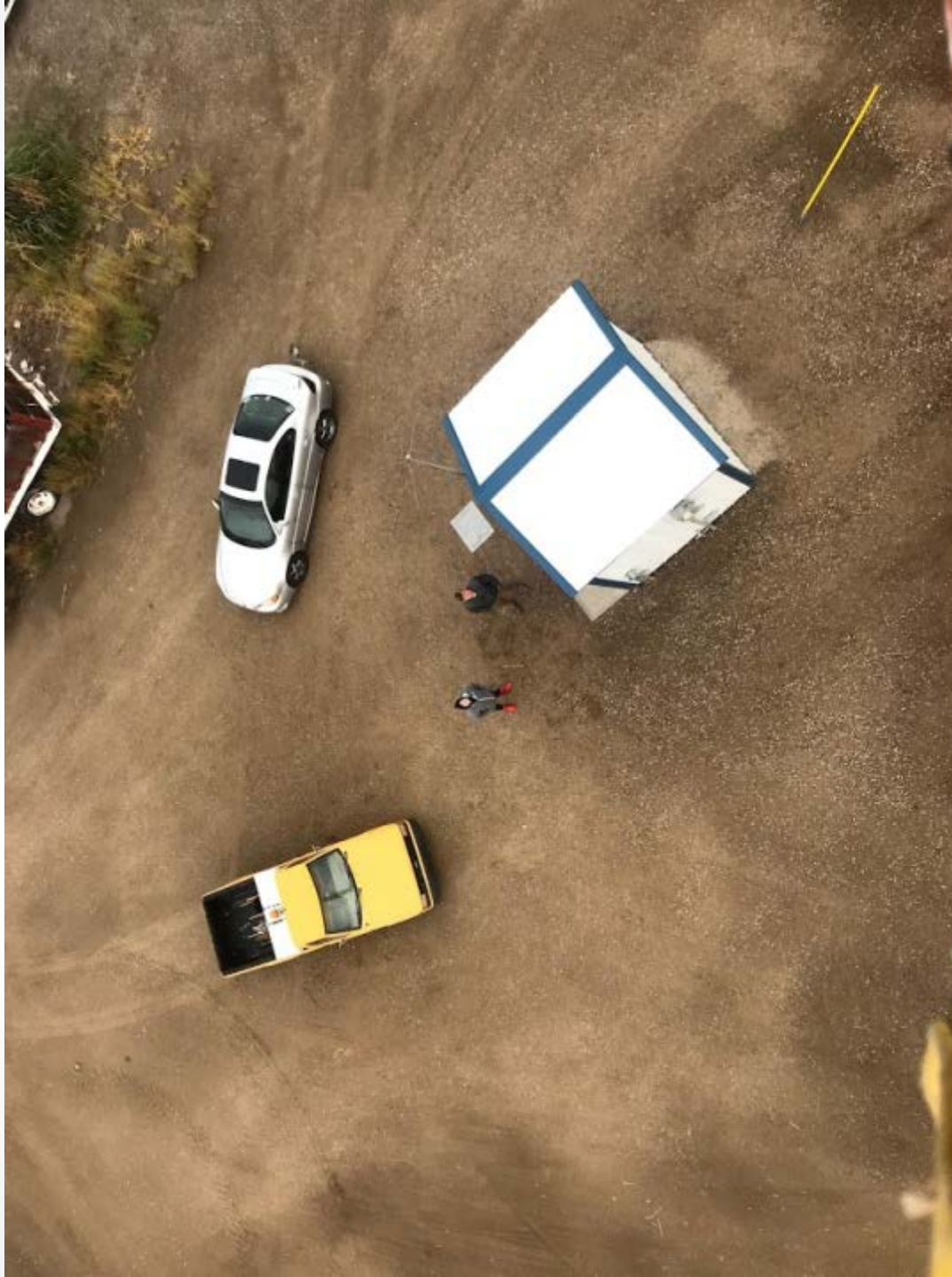


September





- Continued looking for loader and snow equipment
- Airport routine : Climbed the beacon tower
- Airport committee meeting



October



- Joint planning conference with Federal Aviation Administration
- Two COAR (Critical Oregon Airport Relief) grants written
- Grass runway dedication
- Airport tour and flight with Peter Hall and Ha Tien
- Sprinklers shut off, drained and blown out for winter
- Fixed the beacon light
- Perimeter fencing and security gates going up
- Airport Committee meeting













ORD
BOYS & GIRLS BBALL
DODGE BA. L & HOCKEY
881-3260

MOTEL





















Cash Preston Lee Troyer

Dedicated 2018

Runway





Cash Preston Lee Troyer

Runway

Dedicated 2018





R
N

N6509C

Cash Preston Lee Troyer
Runway
Dedicated 2018



Cash Preston Lee Troyer
Runway
Dedicated 2018















STORE

FRAMED PILOT STORE











Goals:

- Hangar Inspections and fire extinguishers
- Update Hangar Leases with current contact information
- Fuel dispensing per codes
- Parking spaces per policy
- Chemical Quantity reporting procedure
- TVCC or BSU plan for apprentice airport manager program







The End





City of Ontario Community Development Quarterly Report 1st Quarter FY 2018-19

Presentation by
Dan K. Cummings
November 8, 2018



Planning & Zoning Department Stats

1st Quarter FY2018-19



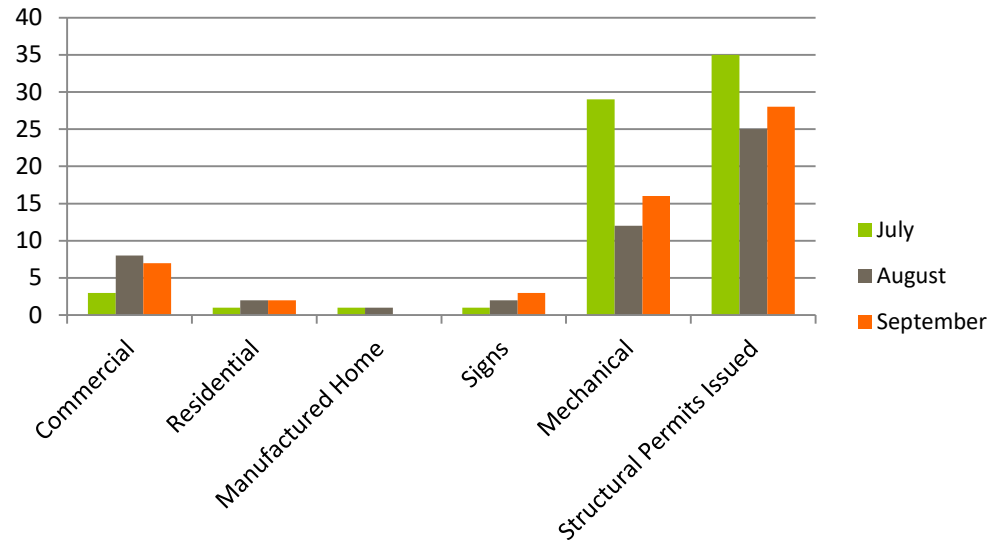
7 Land Use Actions

- 1 Property Line Adjustment
- 2 Zone Code Amendments
- 1 Non-conforming Use Permit

\$425 Total Fees

Building Department Stats

1st Quarter FY2018-19 Permits

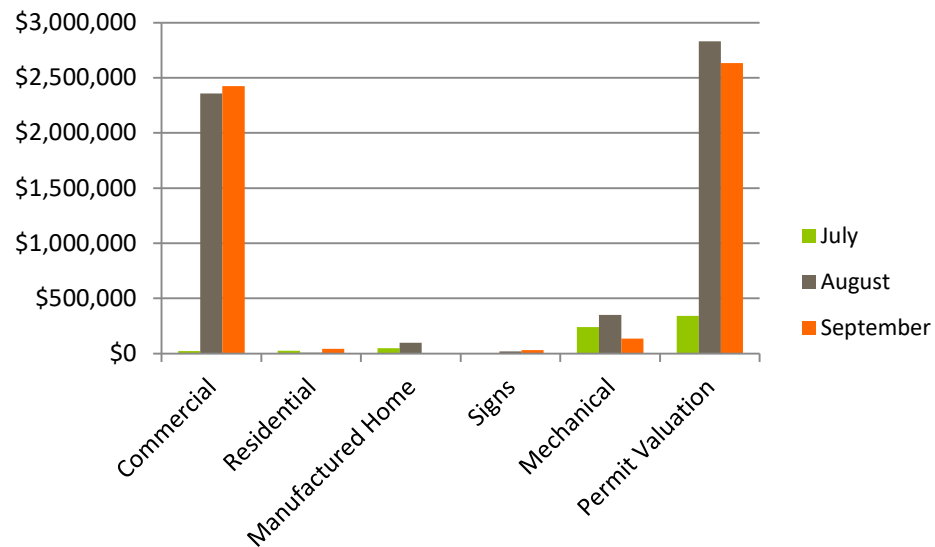


FY2018-19 Permits	July	August	September
Commercial	6	9	4
Residential	1	4	3
Manufactured Home	0	0	0
Signs	0	5	1
Mechanical	15	18	8
Total Permits Issued	22	36	16

Building Department Stats

1st Quarter FY2018-19

Building Values



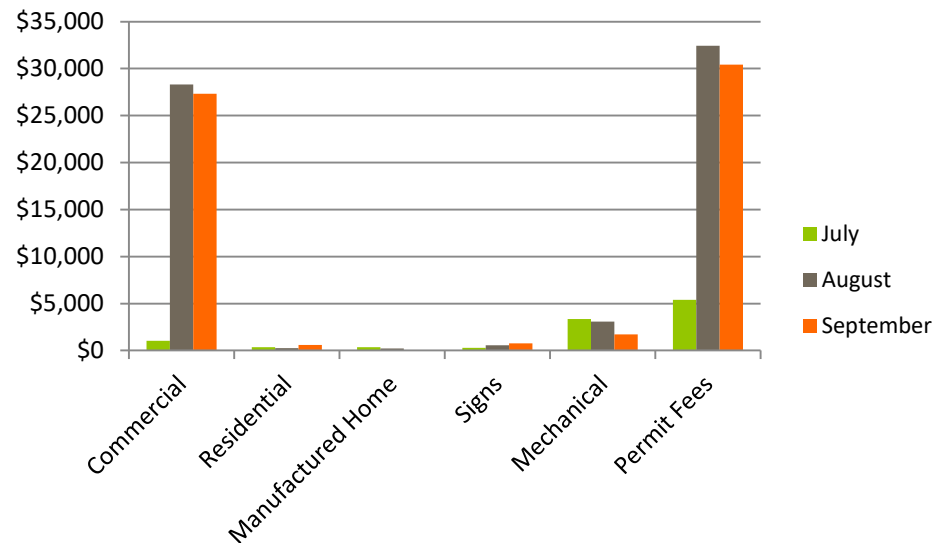
FY2018-19 Permit Valuations	July	August	September
Commercial	\$1,744,674	\$764,008	\$1,383,424
Residential	\$17,044	\$59,889	\$306,471
Manufactured Home	\$0	\$0	\$0
Signs	\$0	\$33,067	\$8,500
Mechanical	\$81,975	\$90,820	\$95,175
Permit Valuation	\$1,843,693	\$947,784	\$1,793,570

Com Dev 1st Quarter Report

Building Department Stats

1st Quarter FY2018-19

Permit Fees



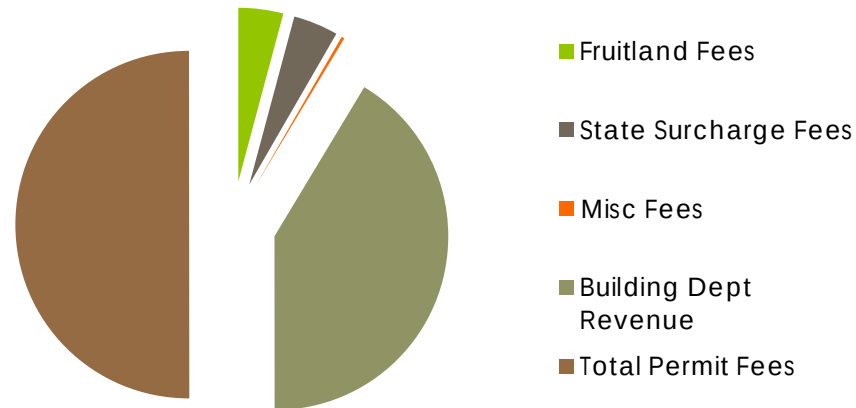
FY2018-19 Fees Received	July	August	September
Commercial	\$21,448	\$11,978	\$16,381
Residential	\$281	\$981	\$2,158
Manufactured Home	\$0	\$0	\$0
Signs	\$0	\$1,219	\$158
Mechanical	\$1,194	\$1,612	\$1,119
Permit Fees	\$22,922	\$15,790	\$19,815

Com Dev 1st Quarter Report

Revenue Breakdown of Building Permits 1st Quarter FY2018-19



July-September



	July	August	September
Fruitland Fees	450.45	1707.7	102.75
State Surcharge Fees	450.85	1935.1	1780.99
Misc Fees	30	30	0
Building Dept Revenue	4466.08	28749	28520.4
Total Permit Fees	5397.38	32422	30404.14

Economic Development

Department Activity

1st Quarter FY2018-19

Economic Activity

- Project Glass
- Project Clean
- Project BuildOnt
- Project PWGrid
- Project Rite
- Project SSHill
- Project Westpark
- Project OntAir
- Project Indigo II
- Project One-1
- Project Splash
- Project H2MKRes
- EPA Brownfield Grant Program
- Malheur County Reload Facility and Industrial Park
- Airport Commercial & Private Hanger Facility
- Project Hardin
- Project Affordable Sun
- Project Hemp
- Project Vet
- Project Incentive



Economic Development Department Activity 1st Quarter FY2018-19



Com Dev 1st Quarter Report



City of Ontario

Financial Policies and Procedures Manual

(Credit Card revised 9-16-2013)

(Travel revised 6-1-2015)

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Introduction

The Financial Policies and Procedures Manual includes policies and procedures related to the ongoing financial management of the City's resources and information required to prepare the budget.

The preparation of the budget begins the financial management cycle, progresses to an adopted budget, and continues through accounting, monitoring and evaluating stages.

The manual is updated by the ~~Finance Department~~City Council, as needed, to reflect changes or additions to financial policies once discussed at the Executive Team level.

This manual is distributed to the Mayor, Council, City Manager, and Department Heads. Anyone who has responsibility for management of the budget and/or the financial affairs of the department or division should have a manual made available to them by their Department Head.

This Manual is intended to be an overview of various financial policies and procedures and is not meant to be a detailed authority source. If the material in the manual does not answer a question, please contact the Finance Department.

Finance Department Titles

~~Finance Director~~

~~Accounting Assistant~~

~~Accounts Payable/Payroll Specialist~~

~~Utility Billing Specialist~~

~~Finance Administrative Assistant~~

~~Cash Receipts/Customer Service Specialist~~

Financial Management Goals

The following goals and policies for the City are intended to guide the City in its financial matters. The goals consist of five significant goal statements (I through V), which provide the basic guiding parameters for financial management of the City. The policies of the City provide more specific direction on how to achieve the goals and are the basis for consistent actions that move the community and organization toward sound financial management decisions. Detailed policy descriptions and narratives are included in Section 1.

Goal I: To [e](#)Establish and sustain a community supported service system.

Goal II: To have a capital improvement program that adequately maintains and enhances the public's assets over their useful life.

Goal III: To provide cost effective services to citizens.

Goal IV: To provide financial and other service information to enable citizens to assess the costs and results of City [s](#)Services.

Goal V: To follow prudent and professional financial management practices to assure residents of Ontario and the financial community that our City government is well managed and in sound fiscal condition.



Section 1 - Financial Management Policies

1.1 Resource Planning and Allocation

1.1.1. **Purpose:** The purpose of this policy is to establish procedures for resource planning and allocation in accordance with long-range plans of the Council. This policy is applicable to all resource allocation and planning for the City.

1.1.2. The City budget will support the goals and policies of the City Council, Council adopted long-range plans, and service needs of the community.

The Mayor and Council have the legal authority and responsibility for the adoption of City goals and policies and an annual budget. The City organization is committed to carrying out Council goals and policies through service delivery.

Funding for services should take into consideration whether demand exists for maintaining the service or whether funding is better used elsewhere.

1.1.3. The City will maintain financial systems, which will develop budgets, provide control, and report revenue and expenditures at the line-item detail.

1.1.3.1. Efficient use of public resources requires that budget estimates be developed from a detailed level. This ensures that changes in the cost of individual line items are reflected and are neither over nor under estimated. Upon adoption, the line-item budgets become the basis against which expenditure trends are measured. Spending control at this level provides the ability to measure actual expenditures against experience and expectations and allows program managers to identify positive and negative trends as the budget year progresses. ~~allows program managers to identify positive and negative trends.~~ The evaluation of these trends will then allow for more precise estimates of future budget needs.

1.1.4. Revenues, operating, debt service and capital expenditures, ~~and debt service~~ will be projected each year for at least the succeeding four years.

1.1.4.1. ~~Future revenues and costs will be projected annually on an aggregate basis for four years beyond~~ Future revenues and costs will be projected annually on an aggregate basis for four years beyond the current budget year. Based on assumed circumstances, including various economic, service, and inflationary factors, the forecast will attempt to portray whether community plans can be supported over the designated period. One of the essential attributes of these projections is the capability to project whether a new program or project can be supported over the long-term.

1.2 Accounting and Financial Practices

The purpose of this policy is to establish guidelines for which the City's financial reporting will be presented. This policy is applicable to all financial reporting and record keeping for the City.

1.2.1. The City will maintain an accounting and financial reporting system that conforms to Generally Accepted Accounting Principles and applicable Oregon Statutes, and ~~will issue a Comprehensive Annual Financial Report (Audit Report) will contract with an independent auditor~~ each fiscal year ~~for a financial statement audit.~~ ~~Beginning with fiscal year 2004, the City will begin using the New Reporting Model required by the Governmental Accounting Standards Council (GASB).~~

1.2.1.1. The City utilizes an accounting system that conforms to Generally Accepted Accounting Principles, standards of the Governmental Accounting Standards ~~Council Board~~, and Oregon Revised Statutes (ORS). Various Federal, State, and local statutes also govern financial practices and reporting. These standards and laws are intended to assure that city funds are appropriately budgeted, recorded, and reported.

1.2.2. The City will manage its funds as independent financial entities in accordance with legal, administrative, or Generally Accepted Accounting Principles and will ensure that one fund does not subsidize another fund.

1.2.2.1. The City's financial structure is composed of various funds; that is, self-balancing sets of accounts. Each fund is established as a result of statutory or administrative requirement. From a private sector perspective, each fund can be considered a wholly-owned subsidiary of the City. Accordingly, each fund can be considered a separate independent business, which must support all of the direct and indirect costs of operating services or capital maintenance and enhancement. Co-mingling of funds is generally prohibited by statute, administrative policy, or Generally Accepted Accounting Principles.

1.2.3. ~~The General Fund will maintain an unappropriated ending fund balance within the General Fund to ensure sustainability. The target ending fund balance will be 3 months of General Fund operating expenses.~~

1.2.43. The General Fund will maintain a contingency account within the Administrative Overhead Department to meet unanticipated requirements during the budget year.

1.2.4.1. The budget is prepared prior to actual implementation. With the complexity of the organization and the dynamic environment in which the City provides services, it is not always possible to anticipate every expenditure requirement during the budget year. Therefore, contingency funds are established to meet emergency requirements necessary to maintain services and to meet unexpected requirements identified by Staff and approved by the Council. ~~The target contingency amount within the General Fund will be no less than 5 to 15 percent of regular General Fund operating expenditures, or no less than two months of regular General Fund operating expenditures.~~

~~4.~~

1.2.4.2. With the exception of grants or earmarked donations, the City will not normally earmark revenue for specific public purposes in general service funds such as the General Fund.

1.2.4.3. Earmarking or dedication of revenues can be a major deterrent to making best use of available resources. It may force the City to spend money in an area of lesser need, or no need, or to lose that source of revenue.

1.3 Revenue and Collection

1.3.1 Purpose: The purpose of this policy is to establish procedures for resource planning and allocation in accordance with long-range plans of the Council. This policy is applicable to all resource allocation and planning for the City.

1.3.2 Cost Recovery Policy - The City Council will review Staff proposals to establish cost recovery policies for fee supported services which consider the relative public/private benefits received from the services being provided and/or the desirability of providing access to services for specialized populations. These policies will determine the percentage of full service costs to be recovered through fees. The level of cost recovery will be routinely adjusted to ensure that rates are current, equitable, and competitive and cover that percentage of the total cost deemed appropriate.

1.3.2.1. Many services provided by the City directly benefit individuals and not the community as a whole. These services include building permits, recreational services, and many others. When services of this nature are subsidized by the general taxpayer, scarce resource dollars are not available for other City services. In these user-choice services, the customer has the opportunity to determine whether the service is used, with part of that decision being made through the normal pricing system.

1.3.2.2. In such cases, the City is committed to recovering the full cost of providing the service, including both direct and indirect costs, through a user fee or service charge.

1.3.2.3. It is important for the City to:

- 1.3.2.3.1. Develop broad policies concerning funding of services
- 1.3.2.3.2. Review all services to determine if a fee should be charged
- 1.3.2.3.3. Set fees that are comparable to other jurisdictions and/or that recover the partial or full costs of providing that service
- 1.3.2.3.4. Consider user's ability-to-pay and other social/community benefits of the service
- 1.3.2.3.5. Periodically evaluate fee amounts.

1.3.2.4. In some cases, full cost recovery is not permitted because of statutory restrictions, and in other cases it may not be desirable for social/community benefit reasons. The Council shall determine when social/community benefits should be considered in the establishment of fees.

1.3.2.5. A comprehensive fee schedule will be presented annually for Council approval. Recommendations of changes in fees will be presented and the fee schedule will be approved by resolution with the opportunity for the public to comment.

1.4 Organizational

1.4.1 Purpose: The purpose of this policy is to ensure proper organizational structure to carry out the policies of the Council. This policy is applicable to the City Manager. The City manager will review the organizational structure at frequent intervals to assure that it is responsive to current conditions and minimizes service duplication in the organization and with other local government jurisdictions.

1.4.1.1. As the community and organization grow, the City must continually examine its structure to ensure maximum efficiency and respond to changes in its operating environment. Areas of duplication should be eliminated and the delivery of service should be rationalized with other jurisdictions to ensure the most efficient and effective use of public resources.

1.4.1.2. Changes to full-time equivalent (FTE) positions shall be approved by the City Council. Job description updates will be approved by the City Manager. A reclassification of a position shall be approved either through the budget or City Council approval outside of the budget.

1.5 Authorized Signatures

1.5.1. Purpose: The purpose of this policy is to outline the authorized positions to act on the City's behalf for the signature of checks and electronic funds transfers. This policy is applicable to the signing of all checks and electronic funds transfers for the City of Ontario.

1.5.2. The Mayor, ~~or~~ City Manager and the ~~Finance Director~~ Audit Committee shall sign all checks issued by the City. ~~The Council provides authorization for the signatures to be affixed to the checks in facsimile provided the Finance Director has a manual signature that has been certified on file with the City Clerk. Each check under \$5,000 will have one manual signature. Checks over \$5,000 will have two manual signatures. Each check will appear with two signatures without exception.~~

1.5.3. Electronic funds transfers into and out of the City's accounts may be initiated by authorized Staff in the Finance Department for payment of payroll and debt service liabilities and to process automatic debit payments to the City for utility billing accounts. In all instances, the electronic funds transfer must be initiated by an authorized Finance Department staff member and reviewed and approved by the Finance Director and/or city manager to maintain a high level of internal control.

1.6 Investments

1.6.1. Purpose: The purpose of this policy is to establish investment guidelines. This policy is applicable to all available cash for the City of Ontario.

1.6.2 Investment Objectives

1.6.2.1. When making investments, the City will follow State laws and local investment guidelines, and shall abide by the following criteria in priority order:

- 1.6.2.1.1. Preservation of capital
- 1.6.2.1.2. Maintenance of a liquid position
- 1.6.2.1.3. Maximum yield

1.6.2.2. As a municipality, the City cannot make investments for the purpose of trading or speculation, such as anticipating an appreciation of capital value through changes in market interest rates.

1.6.2.3. The primary objective of the City of Ontario's investment activities is the preservation of capital.

1.6.2.4. In investing public funds, the City will not assume unreasonable investment risk to obtain current investment income.

1.6.2.5. The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating capital and debt service requirements, which might be reasonably anticipated. This need for investment liquidity will be tempered to the extent that the City is able to issue Tax Anticipation Notes, Bond Anticipation Notes, or other short-term notes under bank credit lines to meet its cash flow requirements.

1.6.2.6. The City will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

1.6.2.7. In managing its investment portfolio, the City is specifically limited to those investments consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices and authorized by ORS 294.035 and 294.810. Investment of any tax-exempt borrowing proceeds and of any debt service funds will comply with the "arbitrage" restrictions of Section 148 of the Internal Revenue Code of 1986.

1.6.2.8. The 90-day Treasury Bill is considered the performance yardstick.

1.6.3. Investment Maturities

1.6.3.1. To the extent possible, the City will attempt to match its investments to anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities with maturities greater than eighteen months. With the approval of the Council, the City may invest in securities maturing in not more than three years if the investment is related to a specific cash flow or a particular capital project.

1.6.3.2. With the approval of the Council, debt may be defeased with longer-term investments in direct obligations of the United States government or those obligations, which are fully guaranteed by the United States.

1.6.3.3. Banks may collateralize the City's repurchase agreements using investments with longer maturities. Not more than 25% of the City's total investment portfolio should be placed in securities maturing in more than eighteen months.

1.6.3.4. The City recognizes that unnecessary liquidity may adversely affect the return earned on its investment portfolio. At the same time, the City will maintain access to the short-term market as a liquidity buffer in order to meet unanticipated cash requirements. However, if the rate spread between short-term borrowing and portfolio yield is significant, sale of securities to meet liquidity needs is preferable.

1.6.4. Investment Diversification

The City will diversify its investments across security types and institutions. With the exception of U.S. Treasury, Agency, and instrumentality issues, investments will be restricted as to type and institution.

1.6.5. Investment Limitations

1.6.5.1. Specific investment types shall not exceed the percentages of the total investment portfolio indicated below. These specific types shall be the only allowable investments for the City.

1.6.5.2. The primary determination of maturity will be to retain liquidity to meet projected and unexpected cash needs of the City. Any decisions to purchase investments with maturities that exceed 180 days will be ~~to the Finance Director~~ the city manager's determination.

	Maximum % of Total Portfolio	Maximum Length Of Maturity
U.S. Government Agencies	25%	2 years
Local Government Investment Pool	100%	No Limit
Time Certificates of Deposit	1050%	18 months 1-day
Repurchase Agreements (overnight)	25%	30 days

1.6.5.3. Additional investment account types may be added to the City's portfolio as approved by the City Council.

Portfolio Balance

Maturing in under 90 days	25% minimum
Maturing in 91-180 days	50% minimum
Maturing in 181 days to 18 months	75% minimum
Maturing in under 3 years	100% minimum, except for defeased debt

1.6.6. Time Certificates of Deposit

The City will not invest in time certificates of deposit in a single institution in an amount in excess of 10% of the total deposits of the institution. The City Finance Director is responsible to ensure that ~~Collateral Pool Certificates have been issued by the institution sufficient to cover deposits exceeding the FDIC insurance limitation~~ the deposits are adequately collateralized.

1.6.7. Authorized Dealer and Financial Institutions

1.6.7.1 The City Finance Director will maintain a list of financial institutions and primary securities dealers designated by the Federal Reserve Bank of New York as authorized to provide investment services. Selected regional dealers with offices in Oregon will be considered on an individual basis after careful review of financial statements. The City will limit all security purchases to this list.

1.6.7.2 Deletions from this list may be made for a consistent lack of competitiveness in bids or for perceived financial distress. Additions to the list may be made at the discretion of Finance Director.

1.6.8. Competitive Selection

The Finance Director, or authorized agent, shall obtain quotes before purchasing an investment. If an amount The Finance Director shall select the quote, which

provides the highest rate of return within the maturity required and within the parameters of this policy.

1.6.9. Accounting Method

Investments will be carried at cost unless otherwise required by debt instruments or GASB Standards to be held at Fair Market Value (FMV). Gains or losses will be credited or charged to investment income at the time of sale. Premiums or discounts may be amortized over the life of the security. Write-downs may be necessary if the portfolio contains significant market losses at year-end. For financial statement reporting Generally Accepted Accounting Principles will be followed.

1.6.10. Cash Management

The Finance Director will maximize the City's investment income by monitoring cash balances. Excess cash will be invested according to the City's investment guidelines.

1.6.11. Reporting Requirements

The Finance Director will maintain and provide the City Manager with monthly reports on security holdings and investment performance, which may be reviewed upon request.

1.6.12. Authority and Control

The Finance Director will act only upon such authority as provided for within this policy, state statute and by authorization of the City Manager. Any investment activities outside such authority must have prior written approval of the City Manager.

1.6.13. Indemnity Clause

The City shall indemnify staff from liability for losses that may occur in the administration of this investment policy so long as the activities of Staff comply with the City's policy and State law. The Finance Director shall be bonded in an amount deemed sufficient by the City Manager.

1.7 Debt

1.7.1 Purpose The purpose of this policy is to establish debt issuance guidelines. This policy is applicable to all debt issuance for the City of Ontario.

1.7.2. Bond Rating

1.7.2.1. The City will seek to maintain, and if possible, improve its current bond rating so its borrowing costs are minimized and its access to credit is preserved.

1.7.2.2. Sound financial practices, debt management and capacity, and competent management support the maintenance of the City's current bond rating. In its relations with rating agencies and the investment community, the City will follow a policy of full disclosure, as required by legal and professional practices.

1.7.3. Debt Issuance Guidelines

1.7.3.1. The City will have a specific set of debt issuance guidelines consistent with Federal, State, and local laws and policies.

1.7.3.2. The debt guidelines will recognize how much debt the community can support, not only based on debt of the City, but debt of overlapping jurisdictions as well. Debt should not be used for the provision of routine operation unless it is only for cash flow purposes or the borrowing costs are less than the rate of invested funds. Debt should never be issued for a period longer than the estimated useful life of an improvement or asset.

1.7.4. Credit Worthiness

1.7.4.1. The City will seek to maintain, and as possible, improve its current credit rating so its borrowing costs are minimized and its access to credit is preserved and enhanced.

1.7.4.2. The City will maintain good communications about its financial condition with bond and credit rating institutions.

1.7.4.3. The City will follow a policy of full disclosure for all disclosure documents, which meets or exceeds the disclosure guidelines as developed by the Government Finance Officers Association.

1.7.5. Borrowing Purposes

1.7.5.1. The City will not fund current operations from the proceeds of borrowed funds, except for short-term cash flow borrowing such as Tax Anticipation Notes.

1.7.5.2. The City will confine long-term borrowing to capital improvements, projects, or equipment, which cannot be funded from current revenues.

1.7.6. Debt Repayment

1.7.6.1. When the City uses long-term debt financing, it will repay the debt within a period not to exceed the useful life of the improvements or equipment.

1.7.6.2. Whenever possible, debt shall be self-supporting, and will be revenue debt, or revenue-backed with a general obligation pledge.

1.7.6.3. The general obligation pledge will be used only for projects, which have a general benefit to City residents, which cannot be self-supporting.

1.7.6.4. Neighborhood Improvement Bonds may be issued for extra-territorial assessments. Such bonds shall be secured by the assessment payments and be reserves funded from other payments made by the benefited parties. The term of the bonds shall match the projected cash flow from assessment payments and foreclosure sales.

1.7.6.5. Advance refunding will be undertaken only when the net present value savings exceeds 4% or when the restructuring of debt is in the City's financial interest.

1.7.6.6. Lease purchase debt, including certificates of participation, will be considered as an alternative to long-term vendor leases when cost effective. Such debt will be subject to annual appropriation and administered by the Finance Department.

1.7.6.7 Long-term lease purchases for buildings and facilities will be used when the cost of a lease purchase is lower than other options or if deemed appropriate because of time constraints, etc.

1.7.7. Key Debt Ratios

1.7.7.1. There are several key debt ratios that investors and financial analysts use when reviewing a City's credit worthiness. The City of Ontario has

established a set of guidelines which are to be used when reviewing the key debt ratios. These numbers are indicators of financial stability. Below is a listing of the City's key debt ratios:

Type of Ratio	Guideline
Net Direct Bonded Debt as percentage of Assessed Value	20%
Net Direct Bonded Debt Per Capita	\$750
Net Direct Bonded Debt Per Capita as Percentage of Per Capita Income	3.0%
General Obligation Debt Service as a Percentage of General Fund Revenues	10.0%
Percentage of Total Debt that will be retired at the end of Ten Years Expenditures	50.0%

1.7.7. Conduit Financing

1.7.7.1. Recognizing that the City is able to issue debt for broad purposes, it may be appropriate to issue on behalf of another party when the City Council, after a complete review process, determines that the proposed project will provide a general benefit to City residents.

1.7.7.2. The City will consider issuing conduit financing which will not impair the City's credit rating. Any financing issued through the City shall qualify for an investment grade rating by one or both of the two top rating agencies.

1.7.7.3. All expenses related to conduit financing will be borne by the applicants. The City shall establish review procedures for projects, including public contracting and financial fees.

1.7.8. Other Financing

Entities associated with the City may issue debt subject to the same criteria listed above. Debt issued by City agencies shall be approved by the City Council.

1.8 Purchasing

1.8.1. Purpose The purpose of this policy is to establish purchasing guidelines. This policy is applicable to all purchasing for the City of Ontario.

1.8.2. Introduction

1.8.2.1. The City's Purchasing Section was established to ensure that needed goods and services are obtained in a timely manner, at the lowest prices possible, consistent with acceptable quality standards, and within the requirements of public purchasing laws.

1.8.2.2. Consistent with these objectives, a part of the City's procurement activity is decentralized. In recognition of the cost of staff time and to reduce the cost of making small purchases, purchasing cards are issued to selected personnel as approved by the Department Head and ~~Finance Director~~[City Manager](#). The purchasing card will be defined later in this manual.

1.8.2.3. Procedures which apply to purchases made directly by City staff as well as the steps followed by the Finance Department are described below, along with the public purchasing law and ethical standards that shape the City's purchasing activities.

1.8.2.4. Governing Laws and Regulations – Procurements by the City of Ontario are governed by [federal laws, Uniform Guidance standards and](#) state and local laws and regulations. The City of Ontario establishes further requirements for the City's purchasing activities in separate sections of this policy. The City policy, adopted by [resolution ordinance](#), along with the state statute and the City's administrative policies and procedures describe basic procurement processes: e.g., public bidding, bid opening, bid evaluation and bid award.

1.8.2.5. Principles and Ethics – All employees of the City of Ontario subscribe to the following principles and ethics:

1.8.2.5.1. We believe in the dignity and worth of the service rendered by government and our own social responsibility as trusted public servants. We consider, first, the interest of the City in all transactions and carry out and believe in the City's established policies and ordinances and the laws of the State of Oregon.

1.8.2.5.2. We keep the City informed, through appropriate channels, on problems and progress of the agency we serve, but

keep ourselves in the background, by emphasizing the importance of the facts.

1.8.2.5.3. We are governed by the highest ideals of honor and integrity in all public and personal relationships in order that we may merit the respect and inspire the confidence of the City and the public, which we serve.

1.8.2.5.4. We strive to stimulate competitive bidding in order to obtain goods and services at the lowest possible cost, and to provide all interested vendors with the opportunity to offer their products to the City.

1.8.2.5.5. We strive to accord a prompt and courteous reception, so far as conditions will permit, to all who call on a legitimate business mission.

1.8.2.5.6. We believe that personal gain or benefit obtained through misuse of public or personal relationships is dishonest.

1.8.3. Conflict of Interest - No employee or official of the City shall participate in a transaction, contract, activity, or service of the City in which they personally have a direct or predictable effect on their financial interests or the interests of an immediate family member.

1.8.4. Personal Purchases – It is prohibited for an employee or official to make purchases for their own personal purposes or to receive special pricing from a vendor using the City's name, account, or reputation.

1.8.5. Unauthorized Purchases - No individual has the authority to enter purchase agreements or contracts on behalf of the City unless specifically authorized to do so. Individuals with authority are the City Manager up to \$75,000, the Executive Team up to \$5,000, personnel with purchasing cards up to the limit of the P.O. or amount authorized by the Department Head, and the Finance Director for debt service payments and as necessary to continue daily operations of the City but still complying with all ordinances and State laws and regulations. The Council must authorize contracts for values over \$75,000. Any such purchase classified as unauthorized is considered a personal expense and the obligation of the purchaser.

1.8.6. General Rules – All purchases or contracts for services of any kind or description, payment for which is to be made from funds of the City of Ontario, shall be, without exception, in the following manner.

1.8.7. Micro-purchase: (This guideline is only applicable for purchases using federal funding subject to the Uniform Guidance) Purchases where the aggregate dollar amount does not exceed \$3,500 (or \$2,000 if the procurement is construction and subject to Davis-Bacon). When practical, the City should distribute micro-purchases equitably among qualified suppliers. Micro-purchases do not require competitive quotes if management determines that the price is reasonable.

1.8.7.1. \$3,500 to \$10,000 purchases using federal funding subject to the Uniform Guidance will follow the same competitive bidding rules enumerated in number 3 below.

~~1.8.6.1.8.8.~~ Under \$5,000-0010,000: Small items in this category, used on a day-to-day basis, may be purchased with the approval of supervisory personnel without competitive bidding on each item. However, even on these items, periodic telephone checks should be made to be certain the purchases are secured from a local source at the lowest cost for the quality needed. Items used on a day-to-day basis consist of office supplies and other items that are routinely purchased. For items under \$10,000 5,000.00 that are not routinely purchased, it is required to obtain three telephone informal bids-bids to ensure that the lowest best bid is best price is received.

~~1.8.6.1.1.8.8.1.~~ When seeking telephone quotations, it is preferable that the Telephone Quotations Form be utilized and completed in detail (Please reference Section 5). If the recommended bid is not the lowest, a detailed explanation should be provided.

~~1.8.6.2.1.8.8.2.~~ Department Heads may authorize employees to purchase budgeted items by requesting a purchasing card for that employee and assigning a dollar limit.

~~1.8.6.3.1.8.8.3.~~ Whenever possible, these items should be purchased within the City Limits of Ontario. If this is not possible, purchases should be secured within Malheur County.

~~1.8.7.1.8.9.~~ \$5,000-0110,000 - \$10075,000.00: Purchases or contracts for services for the sum of \$5,000-0110,000 to \$10075,000.00 shall be secured on competitive bid basis. This must be accomplished by securing at least three written informal bids or through the formal bid process utilizing advertisement and specifications; whichever is most advantageous to the City.

~~1.8.7.1.1.8.9.1.~~ When seeking written informal bids, all bids must be tabulated in detail and forwarded to the Department Head

and Finance Director. If the recommended bid is not the lowest, a detailed explanation must accompany the bid's submission to the Department Head and the Finance Director.

1.8.9.2. Bid awards under \$75,000 ~~in this category~~ will be made by the Department Head if it is a budgeted item. If not a budgeted item, bid award shall be made by the City Council at a regularly scheduled Council meeting along with the expenditure authorization by resolution.

~~1.8.7.2.~~1.8.9.3. Bid awards over \$75,000 will be made by the City Council at a regularly scheduled Council meeting.

~~1.8.7.3.~~1.8.9.4. Whenever possible, these items should be purchased within the City Limits of Ontario provided the goods or services comply with bid specifications and are determined to be in the best interest of the City. Preference may be given to local vendors when quality of product is equal or better and the difference in the delivered price is negligible.

~~1.8.8.~~1.8.10. ~~\$100,000~~\$75,000-01 – and higher: Any item(s) for services in this category shall be purchased through the formal bid process. Formal bids shall be secured by advertisement. Additionally, a random sample of vendors who qualify, or who have indicated an interest in bidding, shall be forwarded a copy of the specifications, when possible, to insure the best competitive bids for the City.

~~1.8.8.1.~~1.8.10.1. The responsibility for the advertising of formal bids will be that of the Department Head overseeing the purchase. It is required that an advertisement for formal bid is placed in the paper 10 days prior to the bid opening.

~~1.8.8.2.~~1.8.10.2. Award of items in this category will be made by the City Council based on Department Head recommendations if it is an appropriated item. If it is not an appropriated item, bid award shall be made by the City Council at a regularly scheduled Council meeting along with the expenditure —authorization by resolution. Award shall typically go to lowest and best bidder unless otherwise specified by State Statute.

1.9.2. Invitations for Bid

1.9.2.1. Bidders List – The Finance Director or responsible Department Head will maintain a list of vendors who wish to bid on goods or services for the city of Ontario. —All vendors wishing to provide goods or services to the City may contact the Finance Director or responsible Department Head with appropriate information for inclusion in future bid processes.

1.9.2.1.1. When the City prepares an invitation to bid, all respective bidders on the list shall be notified in writing and given sufficient time to provide a bid to the City if the vendor intends to do so.

1.9.2.2. Formal Bid Process – All Formal bid purchases or contracts for services shall be advertised and bid procedures shall be as follows:

1.9.2.2.1. All notices and solicitation of bids shall state the time and place of opening. It is required that the request for bid in the newspaper at least 10 days prior to the bid opening. Bid opening dates will follow State statute.

1.9.2.2.2. Notices and solicitations of bids shall include information that these are sealed bids and that they should be so identified (as bids) on the envelope.

1.9.2.2.3. Notices and solicitation of bids shall plainly state to whom the sealed bid(s) should be addressed.

1.9.2.2.4. Performance bond(s), in cash or otherwise, shall be requested if in the best interest of the City in such an amount as may be deemed sufficient to secure the execution of the contract or furnish supplies.

1.9.2.2.5. The City of Ontario, Oregon reserves the right to reject any and all bids and waive any informality. The City of Ontario also reserves the right to select the lowest and/or best bidder as determined by the City in its sole discretion.

2.1

1.9.2.3. Correspondence With Vendors – All correspondence with vendors should be communicated through the Department Head responsible for overseeing the specific bid unless the bid specifications make it advisable to delegate the authority to others.

1.9.2.4. Competitive Buying – City policy requires quotes or bids to be obtained from as many providers as possible to insure a competitive marketing

atmosphere and advantageous pricing. Bids will be solicited when required by policy and also when it is found to be advantageous to do so. Any qualified provider may respond to a City request for quote or bid.

1.9.2.5. Periodically, the Finance Department will check items purchased by other authorized personnel to verify that the City is obtaining the best prices for the quality of goods purchased. Recommendations will be made as necessary to benefit the City.

1.9.2.6. Maintenance Agreements – If the need for a maintenance agreement is anticipated at the time of purchase, the terms of the agreement must be included in the bid specifications.

1.9.3. Emergency Purchases

1.9.3.1. In Case of an emergency which requires immediate purchase of supplies or services and time is of the essence, the City Manager shall have the authority to authorize such purchase up to \$50,000 or secure such services needed without complying with procedures as set out above. Examples of emergencies requiring emergency purchase include sewer line collapse, water system pump failures, and weather-related damage requiring immediate repair. (Please refer to the No. P.O. Form in Section 5 of this manual.)

1.9.3.2. For purchases over \$50,000, a poll of the City Council should be made prior to the purchase. If a poll of the Council is not possible, a full report of such an emergency purchase shall be made by the City Manager to the City Council no later than the next City Council meeting.

1.9.3.3. An emergency purchase is constituted as an immediate need of a good or service, which was unable to be anticipated, which time is a crucial factor and would be a disservice to the citizens of the community of Ontario if the item were not purchased.

1.9.4. Steps in Purchasing/Procurement

1.9.4.1. The Finance Department has the responsibility to oversee all purchasing activities for all departments at the City. Any employee that has a purchasing card approved by their department head is authorized to purchase goods up to their limit (i.e., \$500). Any purchases over their limit must be made by the Department Head.

1.9.4.2. Price Agreements and Other Centralized Purchasing – Price Agreements are contracts negotiated by the City for goods or services, which we

need frequently throughout the year (e.g., fax machines, computers, uniforms, sand and gravel, etc.). It is to the City's advantage for departments to use these agreements to save money and time by not having to go through a bid process for each purchase. The City does require that departments purchase certain types of goods and services in a more centralized fashion: data processing equipment and services, telecommunications equipment and services, vehicle purchases, printing goods and services, office supplies. These purchases are coordinated with the assistance of Finance. The following steps are involved in the bid process:

1.9.4.2.1. Department head prepares the bid package, sets the bid opening date, prepares the advertisement for call for bids, the bid invitation letter, specifications and list of prospective bidders.

1.9.4.2.2. Department Head holds public bid opening according to State requirements.

1.9.4.2.3. The requesting department prepares a tabulation of bids received, analyzes bids, and returns bid documents with recommendations for bid award to Department Head and Finance Director.

1.9.4.2.4. Finance Director reviews analysis and recommendation and upon approval the Department ~~Head prepares~~Head prepares final recommendation for submission to City Council when required by the City's Bid policy.

1.9.4.2.5. City Council ensures that staff has followed the purchasing policies and ~~makes bid-awards~~s the bid.

1.9.4.2.6. Requesting department obtains purchase order prior to issuing a Notice to Proceed or otherwise obligating the City ~~financially, and~~financially and administers the contract and notifies accounts payable when payment is to be made through standard invoice procedures.

1.9.4.3. Contractor Performance Problems – It is very important that Departments document any performance problems with a particular vendor. Documentation should include written notification to the vendor of a problem, evidence of attempts to resolve the problem and a summary of the final outcome of the situation.

1.9.4.3.1. Please notify the Purchasing Agent when a vendor continues to have performance problems and forward a report documenting the incident. The City Manager can determine if a vendor is classed as irresponsible and can be taken off of our bidding list for a period of 3 years or until the vendor can prove the problems have been corrected.

1.9.5. Good Financial Standing

1.9.5.1. All business providing services to the City of Ontario should be in good financial standing with regard to any financial obligations within the City.

1.9.5.2. All businesses providing services to the City of Ontario should comply with city ordinances, resolutions and contracts.

1.9.5.1.9.6. Exclusive Service

1.9.5.3. In the event that there is only one firm or company or individual capable of providing a particular service or commodity, referred to as a sole source vendor, and such services or commodities cannot be secured from any other person(s) or company(ies), then the City Council may authorize securing such items without the above bidding process(es) by declaring a sole source vendor. Approval of the City Council must be received **prior** to making the purchase. To receive such authorization, the Department Head must submit with the purchase order, a detailed agenda report explaining why this is the only feasible person/company from which to purchase/contract; and confirmed research must be included in the explanation.

1.9.6.1.9.7. Exemptions from the Public Bidding Process

1.9.7.1 Professional Services – This Purchasing Policy shall not apply to professional services and the requirements shall not be mandatory in the employment of professional services. Professional services include, but are not limited to, the following:

- (A) Attorneys
- (B) Architects
- (A)(C) Artists
- (B)(D) Bond Counsel
- (C)(E) Certified Public Accountants/Auditors
- (D)(F) Consultants
- (E)(G) Engineers
- (F)(H) Financial Advisors
- (G)(I) Physicians
- (H)(J) Real Estate Brokers

1.9.7.2. Design-build Services – This Purchasing Policy shall not apply to design-build specialty services so long as the City Council approves such an exemption through formal action.

1.9 Employee Development

1.9.1. Purpose: The Purpose of this policy is to establish the guidelines for which the City will reimburse employees for training, career education, and approved courses of study (Tuition Assistance). Travel and expense reimbursement procedures are outlined within the Tuition Assistance Policy. This policy is applicable to all City personnel.

1.9.2. Definitions: As addressed by this policy, training is defined as any work related program, seminar, conference, convention, course or workshop attended by an employee whose tuition and expenses are funded in whole or in part by the City or while the employee is in a paid status with the City.

1.9.3. Statement of Policy – Employees are encouraged to continue their formal education through participation in off-duty/non-work hour educational programs. Reimbursement for educational expenses incurred by such participation may be granted for job related courses with prior approval of the City Manager, provided funds have been budgeted for such reimbursement. Tuition reimbursement will be made only for courses that benefit the employee and the City or go towards a degree that benefits the employee and the City.

1.9.3.1. Any reimbursement shall only be after successful completion of the course/program. Successful completion shall be defined as receipt of a certificate of satisfactory completion, a grade of C (2.0 grade point) or better for undergraduate courses, a grade of B (3.0 grade point) or better for graduate and post-graduate courses, or attainment of pass in a pass/fail grading system. Tuition reimbursement is for the course only; no reimbursement will be allowed for books, lab fees, travel expenses, or material costs. Approval for tuition reimbursement shall only be allowed for courses offered by accredited colleges, universities or vocational training institutes.

1.9.3.2. Reimbursement to an employee for approved course will be limited to \$2,000 per calendar year. Request for reimbursement must be made within 30 days following the completion of the course of study. To receive tuition reimbursement, an employee must complete the “Pre-approval for Tuition Reimbursement” and a “Request for Tuition Reimbursement” forms with required supporting documents. See Section 5.

1.9.3.3. Training reimbursement is generally available to only those employees who have successfully completed the employee’s designated probation period. The City Leadership Team shall review pre-approval requests for tuition reimbursement and either approve or disapprove the request.

1.9.3.4. Consideration of employee requests for tuition reimbursement is dependent upon budgetary constraints and the recommendation of that employee's Department Head. Time spent in attendance at these courses shall be considered the employee's personal time and is not counted as time worked.

1.9.3.5. It is the policy of the City to maximize comprehension, retention and transference of training provided by the City.

1.9.3.6. No person will be denied training because of race, religion or creed, color, political affiliation, physical or mental disability, national origin, sex, veteran status, genetic information, citizenship, marital status, sexual orientation, domestic violence victim status, parent with court-imposed medical support order, or age.

1.9.4 Tuition Assistance Plan

1.9.4.1. The plan shall serve as both an employee incentive and employee retention plan. The course or degree program must be approved prior to enrollment by the Department Head and the City Manager. The employee must be full-time and not on probation other than transfer or promotion. The subject matter of the course of study must be related to the employee's current job or the course must be applicable as credit toward an approved certificate or degree requirement in a related field.

1.9.4.2. Prior to budget preparation, the employee is responsible for notifying his/her Department head of his/her intent to participate in this program.

1.9.4.3. ~~The Human Resource Manager shall maintain an e~~Employee training history will be maintained as part of the personnel files.

1.9.5. Reimbursement

1.9.5.1. Upon completion of the approved course, receipt of tuition payment, and grade verification, the City will reimburse as follows until funds are exhausted.

1.9.5.2. Reimbursement for courses (limited to 2 annually) taken at an accredited college, university, or vocational training institute shall be as follows.

Grade	Undergraduate	Graduate/Post-Graduate
A	80% of tuition only	80% of tuition only

B	70% of tuition only	60% of tuition only
C	60% of tuition only	0% of tuition only
D or lower	0% of tuition only	0% of tuition only

1.9.5.3. Pre-Approval for Tuition Reimbursement Forms must be submitted and approved by the Department Head, Leadership Team, and City Manager prior to the beginning of the course. Upon completion the employee shall submit the Request for Tuition Reimbursement Form. It is upon completion and proof of grade submission for a course that reimbursement shall occur.

1.9.5.4. Conferences/Seminars will be arranged and approved by following the process and procedures as outlined on the **Travel Voucher Form**. The Travel Voucher Form must be completed and approved by the Department Head, Finance Director, or City Manager prior to attending. Upon return and within 7 working days a reconciliation of the **Travel Voucher Form must** be completed and submitted for approval and processing.

1.9.5.5. As a general rule, attendance at conferences/seminars out of state shall be limited to one annually. The following exceptions may apply upon the approval of the City Manager.

1.9.5.5.1. Travel will be by automobile rather than air (cost of airline ticket or mileage is reimbursed, whichever is less)

1.9.5.5.2. Attendance is required as part of a job-related certification program

1.9.5.5.3. A specific benefit would be derived by attending such as:

1.9.5.5.3.1. Legislative updates

1.9.5.5.3.2. New technology

1.9.5.5.3.3. Improve a job-related skill

1.9.5.6. Department Heads should identify conference/seminar costs during the budget preparation and stay within the budgeted amounts. Conferences which are job required are reimbursed at 100%.

1.9.6. Tuition Appropriation – The City Council will establish the amount of funding to be allocated for tuition reimbursement on a citywide basis. The City Manager will allocate those funds between the various departments. The funds may not be appropriated/transferred into other accounts. Mid-year budget review will monitor the use or intended use of remaining funds and the City Manager may authorize transfers into other departments, when appropriate.

1.10 Travel and Expense

1.10.1. Purpose: The purpose of this policy is to establish the guidelines for officials and employees of the City of Ontario while traveling on “Official Business.” This policy is applicable to all City officers and personnel.

1.10.2. The primary responsibility for the authentication of the travel and all expenses incurred on individual expense accounts rests with Department Heads and the City Manager.

1.10.2.1. Definitions

1.10.2.1.1. For the purpose of this policy, the following ~~definitions~~ shall apply:

1.10.2.1.2. Approved City credit cards shall be those cards issued and approved through the City Manager as valid for the purpose of billing the City.

1.10.2.1.3. Travel authorization and reimbursement forms are those approved by the City Manager, and Finance Department. —

1.10.2.1.4. Residence shall be the place in which the individual has an abode or dwelling place.

1.10.3. Reimbursable Travel Expenses

1.10.3.1. Reimbursable travel expenses are limited to those expenses authorized and essential to the transaction of official business of the City. Expenses incurred for the sole benefit of the City employee or official, such as any type of insurance, travel loan finance charges, personal credit card fees or dues, alcoholic beverages, extra meals, that portion of meal totals in excess of the per diem allowance, tips in excess of the 20% City established maximum, magazines and other like charges are prohibited from being paid for using a City credit card and shall not be reimbursed as travel expenses.

1.10.3.2. Expenses for laundry service and dry cleaning shall not be considered a business expense. Incidental accounts not directly concerned with travel (such as postage, small emergency supplies, etc.) may be allowed when necessary to the performance of official business while traveling. These necessary incidental expenses shall be itemized on the Travel Voucher with receipts attached.

1.10.3.3. Reimbursements for items other than per diem paid for meals and incidentals will not be made without a valid receipt.

1.10.4. Reimbursement When Leaving and Returning ~~The~~the Same Day

1.10.4.1. Officials and employees will be allowed travel expenses when required to travel away from their official domicile on City business and returning the same day under the following situation. When early departure or late arrival of approved travel was required to conduct City business, then the City will reimburse for meals and mileage for official use of a private motor vehicle. The ~~description of the travel time of departure and return~~ must be indicated on the Travel Reimbursement Form purchase order along with applicable supporting documentation. Reimbursements will be calculated using established per diem rates. A city vehicle must be used if available. If an employee chooses not to use a city car when one is available, they will be allowed the IRS mileage rate for medical purposes.

1.10.5. Items Invoiced to the City – Items which are properly purchased and invoiced directly to the City of Ontario will not be included on an expense account and are not reimbursable under this policy.

1.10.6. Prudent Person Rule – Employees and officials are expected to exercise the same care in incurring expenses, as a prudent person would exercise if traveling on personal business.

1.10.7. Alcoholic Beverages – City Officials and employees shall not incur expenses for the purchase of alcoholic beverages for reimbursement as a travel expense or payment directly by the City through use of a City credit card or any other means of purchasing.

1.10.8. Meals

1.10.8.1. If a credit card is unavailable, reimbursement for meals will be on a per diem basis according to the Federal Per Diem Rates at www.gsa.gov. If meals are included in the conference fee they are excluded from reimbursement. Any expenses in excess of the daily amount established by the Federal Per Diem Rate based upon the location of travel must be approved by the Department Head and the City Manager. In cases where the employee exceeds the per diem amount with a City credit card, the employee will be issued a warning and

notified of the amount of reimbursement required and they will be required to issue a check for the amount payable to Visa.

1.10.8.2. Meals that are part of an approved seminar, training session, or organization meeting held in the area will be reimbursed for the actual amount with receipts required. The reimbursement of meals will be at actual cost when receipts accompany the Expense Reimbursement Requests/Verification Form.

1.10.9. Airfare, Bus, Rail Transportation, Private or City-Owned Vehicles & Rentals

1.10.9.1. Travel may be accomplished by plane, train, bus, private or City-owned vehicles, rented car, or taxi, whichever method serves the requirements of the City most economically and advantageously. When an airport is within seventy (70) miles of the employee's official domicile or residence, and transportation to and from the airport is provided by a family member or friend, the employee may be reimbursed for automobile mileage for up to two (2) round trips. The routing of each trip for mileage computation shall be by the most common traveled route unless unusual circumstances warrant other less direct routes. Reimbursements for mileage shall be calculated from the shorter of either the distance from the employees home or City Hall. Individuals on City business shall use competitive pricing for airfare, bus or rail transportation, and rentals.

1.10.9.2. Air travel should be paid directly by the City and not charged on a personal credit card. This practice should be followed to avoid financial gain by the employee through use of their position relative to frequent flier miles or other incentives offered by an employee's personal credit card.

1.10.10. Automobile Rental – Rental cars can only be used when taxis, buses or limousine services are impractical or for emergency transportation. The reason for using rental cars should accompany expense forms. Receipt is required. The City can make reservations and some discounts are available. ~~The reservations should be awarded to the lowest priced rental company after having received pricing from three travel agencies and/or rental companies. In the event of an emergency, the requirement for three separate quotes may be waived.~~

1.10.11. Privately-Owned Automobile Mileage Reimbursement

1.10.11.1. For travel in privately owned automobiles, mileage allowance shall be at a rate equal to the IRS standard expense allowance for mileage reimbursement when a city vehicle is not available for use. If an employee

chooses not to use a city car when one is available, they will be allowed the IRS mileage rate for medical purposes.

1.10.11.2. Mileage figures listed on the Travel Voucher should be rounded to the nearest whole mile. Other expenses such as toll charges for bridge and turnpike use and parking charges will be allowed. When more than one (1) person travels in the same automobile, only the owner of the vehicle shall be allowed mileage. Mileage reports must include information for when, where and what type City business was discussed.

1.10.11.3. Under no circumstances will an employee be allowed to purchase gasoline using the City's tax-exempt fuel account and place it in a private vehicle. This activity is considered a misuse of public funds.

1.10.12. Travel in City-Owned Automobiles

1.10.12.1. Expenses for gasoline, oil, storage, washing, greasing and other necessary services will be allowable as long as proper receipts are attached to the expense form and City purchasing cards are used. In the event an employee is required to incur an expense for authorized travel in a City-owned vehicle, the City shall reimburse that employee for 100% of the costs shown on the receipts submitted for reimbursement upon authorization by the respective Department Head.

1.10.12.2. No official or employee shall be allowed hotel expenses while in the City of his/her official domicile.

1.10.13. Travel Voucher Form – The Travel Voucher Form is used for travel pre-approval and in situations where an official or employee ~~wants a~~ travels for city business. If a reimbursement of expenses is requested, the official or employee will submit the Travel Voucher and attach copies of all receipts for the period of travel within seven (7) days. If expenses are paid using a city credit card, a travel voucher form along with the receipts should be included with the credit card statement.

1.10.14. Travel Advancement – The City will pay in advance the following costs: Please note: A travel packet including the Travel Voucher form, the meeting/conference program/itinerary, and a purchase order for the advanced costs listed below must be submitted to the Accounts Payable Department no later than 14 days prior to the event.

1.10.14.1. Conference/Training Registration fees – Such payment will be made by city credit card or mailed directly to the organization, ~~in order~~ to take

advantage of early registration discounts. This will be done through a purchase order attached to the Travel Voucher Form. A copy of the registration form describing the specific event must be attached to the purchase order.

1.10.14.2. Airfare – Airfare is normally reserved on-line through the internet and paid with a City credit card after travel approval has been received.

1.10.14.3. Lodging – Officials and employees are to stay in moderately priced (see item 5) establishments. Lodging reservations can be held with the use of a City Credit Card. (See City Credit Card Policy). Upon receipt of an approved travel voucher form and supporting documents, a pre-authorization for a city credit card ~~from the motel would will~~ be completed ahead of time. This pre-authorization form would allow use of a city credit card and the city official or employee would need to adhere to the City Credit Card Policy (See section 1.13). The lodging receipt is required to be kept and will be turned in with the travel voucher.

1.10.14.4. Meal allowance - An advance for the M&IE Allowance, which includes both meals and incidental expenses, will be permitted for meals not provided by the conference or training as indicated in section ~~2-1.10.3.~~ above. A conference agenda shall be submitted with the advance travel reimbursement request showing what meals are provided and what meals are not. Only per diem rates as prescribed by the Federal Government for official travel will be provided for M&IE Allowance. Per diem rates by location are found at www.gsa.gov.

1.10.15. Reimbursement for Non-Employee Expenses

1.10.15.1. City employees and officials may be reimbursed for travel expenses incurred for other employees or non-employees provided the specific business reason necessary for doing so is indicated along with the names of those involved. This is intended to be used for those common types of travel situations where it is normal and practical for one (1) individual to pay for an expense rather than be divided among all individuals. Examples may be a restaurant bill or hotel charge for which a room was shared.

1.10.15.2. Reimbursement for spouse expenses at an official business function requires a written justification pre-approved by the City Manager. This reimbursement is limited to elected officials and department directors or those designated to represent them and must be for legitimate business reason where attendance of the spouse is required to represent the City. City employees and officials may be reimbursed for expenses incurred by their spouses or other members of their families only as provided for concerning transportation to and

from the ~~airport, and~~ airport and representing the City at an official business function. The employee shall pay the difference of any costs between the amount for the employee's attendance and the amount for family to attend (e.g. such as an upgrade to a larger room or suite to accommodate more guests). The City shall reimburse or pay for the cost of a single occupancy room rate.

1.10.16. **Telephone** – Telephone, ~~telegraph,~~ cellular service expenses shall be allowed only when necessary for the transaction of official business. Copies of billing statements must be attached to the Expense Reimbursement Request/Verification Form.

1.10.17. **Association Officer Expenses** – Occasionally, members of associations are invited to serve in an official capacity in the association. This type of undertaking requires the expenditure of time and money, but often the membership will reflect favorably on the City. The City encourages this practice by reimbursing them for reasonable expenses incurred for travel, lodging, and meals as set forth herein. At the same time, the City employee has the opportunity to gain peer recognition and, thus to enhance his or her development.

1.10.18. **Out of State Travel** – All out of state travel, with the exception of Idaho, must be approved by the City Manager. All other rules apply.

1.10.19. **Unusual Travel Expense**

1.10.19.1. The City Manager may approve unusual travel expenses not covered by this policy or modify procedures for the payment of travel expenses. The need for reimbursement of unusual travel expenses shall be made in writing to the City Manager with a copy to the Accounts Payable Clerk.

1.10.19.2. The City will not reimburse for items purchased as souvenirs (i.e. pens, pencils, shirts, ball caps, and mugs).

1.11 Telephone and Cellular Phone

1.11.1. Purpose: The purpose of this policy is to establish usage guidelines for telephone calls made within City Hall, from cellular phones provided to employees to conduct City business, and 800 number calls billed to the City. This policy is applicable to all City of Ontario employees, the Mayor and City Council.

1.11.2. Call Placement

1.11.2.1. City employees and officials should limit long-distance calls to those associated with performance of duties associated with their position.

1.11.2.2. Personal telephone calls should be minimal and should not interrupt business with customers~~placed during personal breaks only~~. In the event an employee has an emergency need to utilize a City cell phone to make personal calls that result in additional charges to the City, their immediate supervisor must be notified and the City shall be reimbursed for all personal telephone tolls incurred.

1.11.3. Cellular Phone Usage

1.11.3.1. Cellular phone billings are set up with a basic monthly fee. ~~This fee includes unlimited off-peak~~off-peak~~telephone use within the carrier's calling area. Any long-distance~~long-distance~~calls made to or from the local area incur the normal long-distance~~charge from the long-distance carrier and any other charges that are applicable. Calls made outside the calling area are also charged roamer fees by the mobile system. The equipment is provided to the employee for job-related duties and should be primarily limited to job-related telephone calls. A de minimus use of a city cell phone to contact family when travelling out of town is allowed.

1.11.3.2. ~~Those individuals who have been provided cellular phones must maintain a separate telephone log for calls placed from the cellular phone for accountability purposes.~~ Vendor cell phone bills will ~~listing~~ each individual call ~~will satisfy the requirement of a log.~~

1.11.3.3. In any situation in which abuse is found, disciplinary action may be taken as prescribed in the Employee Manual and cellular phone privileges may be revoked by the Department Head or City Manager.

1.12 Moving Expenses

1.12.1. Purpose: The purpose of this policy is to establish the guidelines for payment of moving expenses. This policy is applicable to all City Executive Staff.

1.12.2. Situation - The City of Ontario hires individuals for Management vacancies based upon qualifications, not geographic location. It is possible the new employee will be required to relocate to the area in order to perform his/her duties. This move will directly benefit the City and, as such, the City should incur the cost. The City may reimburse a new management employee, with the approval of the City Manager, up to \$2,500 of valid moving costs on a reimbursement basis. [The City Council at its discretion may choose to reimburse higher moving expenses.](#)

1.12.3. Early Separation following Moving Expense Reimbursement – If an employee chooses to separate service from the City prior to one year of service, the employee will reimburse the City 75% of said payment for moving expenses reimbursed, which amount may be deducted from the employee's final pay check.

1.13 City Issued Credit Cards

1.13.1. Purpose: The purpose of the credit card is principally to facilitate the acquisition of goods and services for the City where the vendor requires such use. Credit card purchases are intended to be small in scope, of a “non-capital” nature and are intended to complement existing purchasing processes. The card is not to circumvent the internal control procedures or to replace the Purchase Order (PO) process. The card is only used when a purchase order cannot be used or when there is a savings to the City. A purchase order must be generated for the credit card purchase along with the proper approvals. *CARDHOLDERS MUST COMPLY WITH ALL CITY PURCHASING POLICIES AND PROCEDURES.* All purchasing of budgeted capital items must have the proper approval of the appropriate Department Director or City Manager.

1.13.2. Cardholder Limits

1.13.2.1. Only City employees may be Cardholders in accordance with this policy.

1.13.2.2. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle has been provided to each Cardholder. The employee is responsible for the overage if the limit is exceeded.

1.13.3. Use of Credit Card

1.13.3.1 The credit card is to be used for authorized City purchases only.

1.13.3.2. No person other than the Cardholder is authorized to use the card unless prior written authorization is obtained from the Department Head.

1.13.3.3. Questions regarding credit card accounts and procedures should be directed to the Finance Director.

1.13.3.4. The credit card may be used at any business establishment, which accepts credit cards for payment.

1.13.3.5. Cardholder should exhaust all other methods of procurement before using the credit card (i.e., purchase orders or invoicing).

1.13.3.6. The Cardholder must be able to justify that the use of the credit card was necessary and was for an official city business purpose.

1.13.3.7. Cardholder shall take all necessary precautions to keep the card and card number in secure location.

1.13.3.8. Cardholder's department is responsible for all charges incurred on the credit card including any annual service fees and finance charges.

1.13.3.9. Copies of all necessary forms are enclosed within this section of the Financial Operations Guide.

1.13.4. Telephone, Internet, and Facsimile Orders

1.13.4.1. When placing a telephone/Internet/facsimile order, confirm that the vendor agrees to charge the card when shipment is made and not sooner. The receipt charge date should coincide with the shipping date.

1.13.4.2. All telephone/Internet/facsimile orders must be recorded on the "Record of Credit Card Use" form when the transaction occurs.

1.13.4.3. Request that the vendor send, via facsimile or e-mail, a copy of the invoice marked "Paid by credit card". The original invoice is still necessary by the Finance Department for reconciliation purposes.

1.13.4.4. ~~NO~~ Backorders are not allowed without approval by the City Manager.

1.13.5. Documentation

1.13.5.1. Documentation must be retained as a proof of purchase any time a purchase is made using the card. These documents are to be used to verify the purchases on the Monthly Statement of Account.

1.13.5.2. All purchases are to be recorded on "Record of Credit Card Use" form. This form must be maintained as charges occur.

1.13.5.3. If, for any reason, the Cardholder does not have documentation for a transaction, the Cardholder must attach a "Statement of Missing Documentation" form, which provides a description of the item, vendor's name, reason for missing documentation, and the action that will be taken to insure proper documentation in the future. In addition, the Cardholder and the City Manager's signature are required on the form.

1.13.5.4. If receipts are related to travel, it is the Cardholder's responsibility to photocopy the receipts to attach to their "Travel Requisition" form. The original must be forwarded to the Finance Department for reconciliation with Monthly Statement of Account.

1.13.6. Card Restrictions

1.13.6.1. The following uses of a Credit Card are prohibited:

1.13.6.1.1. Cash advances.

1.13.6.1.2. Personal purchases. A Cardholder may not charge any personal items on the City credit card.

1.13.6.1.3. Gasoline purchases or vehicle repairs unless outside the service area and/or in an emergency. Documentation will be required.

1.13.6.1.4. Alcoholic beverage purchases.

1.13.6.2. Per Diem. Per Diem requests shall be processed through Accounts Payable prior to travel.

1.13.6.3. Cardholders shall also comply with any applicable departmental restrictions on usage.

1.13.6.4. A Cardholder may not violate any established procurement requirements, where it pertains to obtaining quotes, when using the City credit card.

1.13.7. Reconciliation and Payment

1.13.7.1. At the close of each billing cycle (month), a copy of your "Record of Credit Card Use" form is due to the Finance ~~Division~~ Department on the 15th of each month.

1.13.7.2. Attach any additional documentation necessary, complete all forms fully and assure that all necessary signatures have been obtained.

1.13.7.3. This form will be reconciled with both the receipts and the "Monthly Statement of Account" by the Finance Department ~~Division~~.

1.13.7.4. If unable to submit the required documentation by the due date, please contact the Finance Department ~~Division~~ as soon as possible.

1.13.7.5. Payment will be made promptly and before the due date to avoid any service or finance charges.

1.13.7.6. Any department not responding promptly to the request for information from the Finance ~~Division~~ Department or in any way delaying the timely monthly payment of the credit card account will be assessed the finance charges imposed by the issuing financial institution.

1.13.8. Lost or Stolen Cards – Should any Cardholder lose, suspect of having lost, or have their credit card stolen, it is their responsibility to immediately notify the Card Issuer and the Finance ~~Division~~ Department of the loss. The following steps must be taken to report the loss:

1.13.8.1. Report the loss immediately to the Credit Card Issuer ~~at~~ _____. They can be reached 24 hours a day, seven day a week.

1.13.8.2. Notify the Finance ~~Division~~ Department immediately upon discovering that the card is missing.

1.13.9. Termination / Resigning Employees

1.13.9.1. All efforts will be made by the Finance ~~Division~~ Department to obtain the credit card, any receipts, “Record of Credit Card Use” forms and other related forms when a Cardholder employee is terminated or resigns.

1.13.9.2. If the credit card cannot be collected, the Department Head or City Manager, as may be appropriate, will immediately insure the card is canceled.

1.13.10. Policy Violations – Failure to follow this policy may result in loss of Cardholder privileges and may result in disciplinary action, including termination of employment as well as civil and/or criminal charges.

(Revised 09-16-2013, Resolution # 2013-130)

Please reference the Credit Card Usage Authorization Form in Section 5 of this manual.

1.14 Credit Collections

1.14.1. Purpose: The purpose of this policy is to outline the applicable fees for checks returned from the bank on accounts with insufficient funds. This policy applies to Cash Collections by City of Ontario.

1.14.2. When the City receives a check for goods or services, it is deposited into the City's bank account. Upon a check being returned from the bank due to insufficient funds, the party will be notified and informed to pay their balance and applicable fee(s). -The following fee schedule will be followed:

1.14.2.1. \$10.00 – ~~P~~party notified City of returned check prior to bank notifying City and paid balance due with cash, cashier's check or money order

1.14.2.2. \$25.00 – ~~party~~Party notified, failed to pay balance due timely. In the case of utility accounts, the returned check payment will be reversed and the fee charged directly to the customer's account. When the returned check is determined to be other than a utility payment, the department for which the check payment was posted will be notified, the payment reversed, and an invoice will be generated and submitted to the customer. Unpaid invoices will be turned over for collection after 30 days.

1.14.3. If the check in question concerns a service in process, it is the responsibility of the department to stop City services until the debt plus any required fees have been paid.



Section 2 – Financial Management and Internal Controls

Introduction

This section has been developed to provide City ~~staff involved with department financial systems and/or budget preparation with a conceptual framework of some of the basic concepts and processes that are~~staff involved with department financial systems and/or budget preparation with a conceptual framework of some of the basic concepts and processes that is involved with financial management and control. This section is intended to give a brief description of the “universe” in which the budget process “lives”.

2.1 Fund Accounting Theory~~Theory~~

2.1.1. Purpose: This section explains the basic concept of fund accounting. It also describes the six types of funds that exist in Ontario City government.

2.1.2. Fund Accounting~~+~~

2.1.2.1. Unlike most private enterprises, the City provides many services which, were they not provided by a government agency, would be considered monopolistic. Therefore, many of the free market economic controls, such as price, no longer ensure that services are provided in the most effective and efficient manner possible. Also, unlike most private enterprises, governments have the ability to raise revenues through taxes rather than through the exchange of goods or services. Taxes are not usually applied strictly on the basis of the services received in exchange.

2.1.2.2. These two basic differences between private enterprise and governments have led citizens (taxpayers) and other groups with particular interests in government to see “non-market-place” means of controlling the expenditures of government. Legal and political constraints have been instituted which require governments to expend monies in certain restricted ways. Certain resources, such as some Federal grants, are legally available only if they are used for specific programs, e.g., the Community Development Block Grant program. The City is required to refund these resources if they have not been used within the specific conditions established by law or the grant agreement.

2.1.2.3. In order to account for these resources and the related expenditures, an accounting theory based on a measurement unit called a fund was developed. Instead of putting all the City’s resources together in one set of accounts and then trying to figure out what was related to what, the City’s resources are accounted for in separate sub-entities called funds.

2.1.2.4. Each fund is a self-balancing set of accounts, which records all the activity concerning the assets, liabilities, equity, revenues, and expenditures needed to carry on a specific activity. The separation of the City’s activities into funds allows the City to maintain the appropriate (required) controls over expenditures for each activity and to report on specific activities to interested citizens.

2.2 Fund Types:

2.2.1. Purpose: All funds are classified into six (6) fund types. These fund types, and the purpose of each:

2.2.2. General Fund – ~~s~~To account for the administrative, police and fire protection, cemetery, parks, recreation, facilities, community development and technology functions of the City. Principal sources of revenue ~~consists~~consist of property taxes, franchise and occupancy taxes, licenses and permits, grants, interest earnings, and operating transfers from other funds. Major expenditures are for personal services, materials and supplies, capital outlay and transfers to other funds.

~~Included:~~ ~~001~~ ~~General Fund~~

2.2.3. Special Revenue Funds – To account for the proceeds of specific revenue sources that are legally restricted to expenditures with specified purposes. The City has multiple special revenue funds.

~~Included:~~ ~~010~~ ~~Grant Fund~~
~~015~~ ~~Library Fund~~
~~020~~ ~~9-1-1 Fund~~
~~045~~ ~~Street Fund~~
~~055~~ ~~Reserve Fund (115-Bike Path, 140-PW Reserve)~~
~~060~~ ~~Revolving Loan Fund~~

2.2.4. Capital Projects Fund – To account for resources designated to acquire and construct capital facilities primarily related to infrastructure, except for minor acquisitions financed from regular operating funds.

~~Included:~~ ~~030~~ ~~Capital Projects Fund~~

2.2.5. Debt Service Fund – To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

~~Included:~~ ~~035~~ ~~Debt Service Fund~~

2.2.6. Enterprise Funds – To account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses including depreciation) of

providing goods or services to the general public on a continuing basis be financed or recovered primarily through user determination of revenues earned,

~~2.2.7.2.2.6.~~ expenses incurred, and/or net income as appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Included: ~~005 – Golf Fund~~
~~025 – Public Works Fund~~

2.2.7. Fiduciary Funds – To account for resources received and held by the City in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust or other agreements or conditions of the trust for the particular source of funds.

Included: ~~050 – Trust Funds (095-Cemetery Perp, 100-Chamber of Commerce, 105-Turnbull (Library), & 110-Visitor's & Conventions Bureau)~~

2.3 Chart of Accounts

2.3.1. Purpose: This section explains a fundamental component of the City's financial system, the Chart of Accounts.

2.3.2. Definition – To make it possible to summarize financial information to the General Ledger, a coding system has been developed that identifies all of the City's financial activity.

2.3.3. The coding system establishes a General Ledger account number, which may be up to 12 digits long. This coding system and the resulting numeric combinations are referred to as the City's Chart of Accounts

2.3.4. Account Code Structure – In General ledger terminology, the 12-digit account code is called the Accounting Control Key, or **ACK** for short. The ACK is broken up into 3 parts, called Segments. An example of an ACK showing the 3 individual segments:

001-004-614900 General Fund (001) – Administrative Overhead
Department (004) – Office Supplies (614900)

2.3.5. Each Segment of the ACK has been assigned a name, number, length, and value range, as illustrated on the following chart.

Segment Name	Length	Segment Value
Fund	3-characters	001- 125060
Department	3-characters	002-1 7045
Account	6-characters	1001 005 0-899000

2.3.6. The following describes the significance of the individual ACK segments.

2.3.6.1. **Fund** – All financial activity in the City must be recorded in a Fund (FFF xxx xxxxxx). The City maintains approximately ~~twelve~~twenty (~~12~~20) self-balancing funds on either a modified accrual or full accrual basis of accounting, depending on whether the fund is a Governmental, Proprietary, or Fiduciary.

- 2.3.6.1.1. Examples of Governmental fund types are:
- 2.3.6.1.1.1 General Funds
 - 2.3.6.1.1.2 Special Revenue Funds
 - 2.3.6.1.1.3 Debt Service Funds

2.3.6.1.1.4 Capital Projects Funds

2.3.6.2. Examples of Proprietary fund [types](#) are:

2.3.6.2.1. Enterprise Funds

2.3.6.3. Examples of Fiduciary fund [types](#) are:

2.3.6.3.1. Agency Funds

2.3.7. Fund codes are created by the Finance Director.

2.3.7.1. **Department** – The Segment of the ACK that represents the department/division that has budget responsibility for an expenditure (xxx **DDD** xxxxxx). ~~–Balance Sheet accounts~~[Assets, liabilities](#), and revenues use 000. Department codes are created by the Finance Director.

2.3.8. **Account** – All financial activity in the City must be recorded to an Account Code (xxx xxx **AAAAAA**). The first digit of the account identifies the account group:

2.3.8.1. 1xxxxx Series Asset [and Deferred Outflow](#) -Accounts

2.3.8.2. 2xxxxx Series Liability [and Deferred Inflow](#) Accounts

2.3.8.3. 3xxxxx Series Fund Balance (Equity/Retained Earnings) Accounts

2.3.8.4. 4xxxxx Series Revenue Accounts

2.3.8.5. 5xxxxx Payroll Related Expenditure Accounts

2.3.8.6. 6xxxxx Material/Supply Expenditure Accounts

2.3.8.7. 7xxxxx Capital Outlay Expenditure Accounts

2.3.8.8. 800000-819999 Debt Service Expenditure Accounts

2.3.8.9. 822000-849999 Transfer Expenditure Accounts

2.3.8.10. 870000-879999 Operating Contingency Accounts

2.3.8.11. 9xxxxx Unappropriated Ending Balance

2.3.9 Account coding is created by the Finance Director.

2.4 Basis of Accounting/Budget Reporting

2.4.1. Purpose: This section describes two financial concepts that drive the way in which the City's finances are maintained and reported: ~~“:~~ “Basis of Accounting” and “Budget vs. GAAP Reporting”.

2.4.2. Basis of Accounting – Cash vs. Accrual: The term “basis of accounting” refers to when revenues, expenses, ~~expenditures~~ expenditures - and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made. The following are the bases of accounting used by the City:

2.4.2.1. Cash Basis – Transactions are recognized only when cash is received or disbursed.

2.4.2.2. Accrual Basis – Transactions are recognized when the economic event occurs, regardless of whether or not cash is received or paid.

2.4.2.3. Modified Accrual Basis – Expenditure transactions are recognized when incurred. Revenues are recognized when they are both measurable and available to finance the expenditures of the current period.

2.4.3. Governmental funds, including general, special revenue, debt service, and capital projects, use the modified accrual basis of accounting. For a revenue to be recognized in a governmental fund, it must be “measurable” (the amount must be known or be reasonably estimated), and it must be “available” to finance the expenditures of the same fiscal period for which the revenue is recorded. “Available,” in this case, means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. For purposes of consistency, that time-frame shall be sixty (60) days which was set for ~~purposes of p~~ Property tax revenues and within a year for grants and other revenues.

2.4.4. Proprietary funds, which encompass the enterprise funds, use the accrual basis of accounting. These funds have an income measurement/capital maintenance focus. The accrual basis of accounting is used by private enterprises as well.

2.4.5. Reporting Focus—Budget vs. GAAP Financial Reporting - This concept is used at the City of Ontario to refer to the way transactions are recorded and reported for compliance with Oregon Budget Law as opposed to financial statement presentation in conformance with Generally Accepted Accounting Principles. The City's monthly statement of revenues and expenditures are reported during the fiscal year on what is informally called a "budget basis." The City's transactions are recorded throughout the year in accordance with the financial statement requirements as set forth within ORS. By recording the transactions in general compliance with this law, the revenues and expenditures can be more easily monitored on a monthly basis to ensure compliance with the legal requirements as set forth within the Oregon Revised Statutes.

At the end of the fiscal year, adjustments are made to present the financial information in a format that is comparable to that used by other local government units around the country. The standards for this reporting are referred to as "generally accepted accounting principles" (or GAAP basis). The adjustments to convert the City's financial records from "budget basis" to "GAAP basis" are made to ensure that the City's financial statements are fairly and consistently presented in conformance with GAAP.

The city implements The Governmental Accounting Standards Council Board (GASB) Statements as required.

has established a new reporting model for state and local governments in GASB Statement No. 34. The City of Ontario plans to fully implement this model by the fiscal year ending 2004.

2.55 General Ledger

2.5.1. Purpose – This section describes the City's General Ledger system and the ways in which a City employee can access information contained in this system

2.5.1.1. The General ledger accounts for the financial activity of the City by fund and department. All entry and posting generated through cash receipts system, ~~a~~Accounts receivable, payroll and accounts payable during any given month is recorded in the general ledger transaction file. Any adjustments that need to be made to the general ledger, i.e. interest earned, reclassifications, and other miscellaneous items are done through manual journal entries. At the end of the month a tentative financial statement is printed and reviewed for any adjustments that are needed before final closing. Each department head is given a copy of the financial statement pertaining to his/her department in order to monitor the financial activity and budget of that department.

2.5.1.2. After the annual audit is completed and all adjusting entries are entered and posted, then the fiscal year is closed. ~~Seven years of closed information may be accessed electronically. In addition, all years may be accessed on a hard copy maintained in storage.~~Documentation will be retained according to record retention regulations.

2.5.1.3. Accessing the General Ledger System – Authorized employees may access account activity electronically. ~~The finance department~~ A finance employee may be contacted for assistance or ~~additional information for the information to be printed.~~

2.66 Appropriation and Appropriation Control

2.6.1. Purpose: This section defines the legal and administrative appropriation control, outlines the legal authority to expend City resources, and describes the types of adjustments and processes required to formulate these adjustments.

2.6.2. Budget Resolution – The basic and initial authority to expend funds is the Budget Resolution passed by the City Council. This Budget Resolution was based on Budget Committee recommendations following submissions from the Finance Director and City Manager.

2.6.2.1. The Budget Resolution sets out the budget for the ensuing fiscal year by fund and department. Department heads, in conjunction with the Finance Director, are responsible for their individual appropriations. The Finance Director facilitates Special Revenue Funds, Capital Improvement Funds, the Debt Service Fund, Agency Funds and Other Financing Sources and Uses.

2.6.3. Legal Appropriation Control – The Budget Resolution for the current fiscal year is at the fund/department level. For example, within the General Fund budget there are specific appropriations for each department. The amount appropriated to a specific department's line items may change as a result of subsequent resolutions or ordinances (amended budgets). The current appropriation as adjusted by resolution or ordinance will appear on the Monthly Revenue and Expense Reports. Department spending must be held within the legally appropriated amount within each fund.

2.6.4. Appropriation Transfer Policy

2.6.4.1. Request for Appropriation Transfer – All appropriation transfers for the operating and capital budgets must be requested ~~on a Budget Amendment Request Form (BARF) through the finance director.~~

2.6.4.2. ~~The BARF should receive the requesting Department Head's authorization, the Finance Director, and City Manager's approval. The finance director then will prepare a budget resolution for City Council approval. The resolution will be approved by the city manager and city recorder prior to submission to council.~~

2.6.5. ~~The Finance Director will assist the Department Head in preparing the necessary budget resolution following approval of the BARFs.~~

Agenda Reports and presentation will be the responsibility of the initiating Department Head.

Adjustments to Budget After Approval Ordinance

~~2.6.5.1.~~ 2.6.5.1. Budget Resolution ~~Purpose~~— A Budget Resolution to amend the budget is required to process an increase or decrease to an appropriation or to recognize unanticipated revenue. ~~—Interdepartmental appropriation transfers are also processed in a Budget Resolution.~~

Typical Amended Budget items include:

- 2.6.5.1.1. Unanticipated grants received for specific programs or services;
- 2.6.5.1.2. Transfer of existing appropriations from operating to capital projects;
- 2.6.5.1.3. Beginning Working Capital and other adjustments from the previous fiscal year as a result of the previous year's audit;
- 2.6.5.1.4. Unanticipated increases in appropriations or revenues to a fund.

2.6.5.2. Approval Process

- 2.6.5.2.1. Departments must submit a budget amendment request to the Finance Director prior to a designated deadline. The review process will begin one week prior to the report deadline set by the City Recorder.
- 2.6.5.2.2. All requests will be reviewed by the City Manager and Finance Director prior to submittal to the City Council.
- 2.6.5.2.3. In the event the amount of the proposed change requires that a Supplemental Budget be adopted, the Finance Director will ensure that all State regulations are followed. Supplemental Budgets exceeding ~~15~~10% of the fund balance will require ~~a~~ a public hearing before ~~the full Budget Committee prior to submittal to the adoption by the City Council.~~ for adoption.
- 2.6.5.2.4. All Budget Resolution items are reviewed and approved by the City Council.

- 2.6.5.2.5. Appropriation amendments are reflected on revenue and expense reports for the month in which the City Council approved the action.

2.3 2.7 Appropriation (General Ledger) Reports

2.7.1. Purpose: This section outlines the reporting mechanism for monitoring the fiscal status of the approved budget.

2.7.2. Financial Statement – After the month ends, a Financial Statement is generated which summarizes each revenue and expenditure account detailing budgeted amount, total collected or spent for the month and year-to-date, current year encumbrances and the percentage of total to budgeted dollars. Each department/division head receives a Financial Statement for that department's activity, which serves as a tool for monitoring the department's budget. The [MayorCity Council](#), City Manager, and Finance Director also review the monthly Financial Statement for unusual activity. At any time during the month, an up-to-date Financial Statement may be generated upon request.

2.8 Financial Monitoring System

2.8.1. Purpose: This section outlines the general financial monitoring responsibilities of principal City entities involved in the management and use of the City's resources.

2.8.2. City Manager - The City Manager is ultimately responsible for the implementation and management of the budget and for the proper use and preservation/protection of the City's assets.

2.8.3. Finance Department, Finance Director - The Finance Director is charged with the primary responsibility for monitoring the fiscal and program implementation of the approved budget. The Finance Director will report monthly to the City Manager on various aspects of budget implementation and management. In addition, the Finance Department will work closely with other departments to apprise them of their financial status and of any potential issues that may affect their budgets. The Finance Department may review fiscal issues affecting any part of the City organization. This activity supports the monitoring role and focuses on the protection of City assets and the legal, efficient, and effective use of City resources.

2.8.4. Departments - Departments are responsible for monitoring and managing their resources to ensure that the legal and administrative appropriation to the department is not overspent and that all expenditures and uses of City resources are in conformity with City, State, and Federal ordinances, statutes, policies, and regulations.

2.8.5. Legal Appropriation – Each department is responsible for ensuring that expenditures do not exceed the legal appropriation level for their department within each fund. The legal appropriation level for operating requirements is at the fund/department level. The legal appropriation for capital requirements is at the fund level. Each department is responsible for ensuring that expenditures do not exceed their department's portion of capital appropriation within the fund.

2.8.6. Revenues - Departments are responsible for monitoring revenues that are collected as a result of programs administered by their departments. If a significant change in the estimate for the current or future fiscal years results, the department must contact the Finance Director to advise of the change.

1. —

2.99 Grant Management System

2.9.1. Purpose: This section provides direction to departments for using City financial systems for effective grant management.

2.9.2. Preliminary Internal Review

2.9.2.1. Application for a new grant includes a preliminary review by the Finance Director and City Manager. The initiating department will request and coordinate input by submitting a memo to the City Manager and Finance Director specifying the following:

- 2.9.2.1.1. The granting agency and catalog of Federal Domestic Assistance identifying number;
- 2.9.2.1.2. The amount and purpose of the grant;
- 2.9.2.1.3. The amount of City match required, including any related City expenses which would not be covered by the grant;
- 2.9.2.1.4. The funding source for TOTAL City share (both the match and the ineligible expenses);
- 2.9.2.1.5. Indication of whether the funding source is from the department's exiting appropriation or whether a supplemental appropriation will be necessary;
- 2.9.2.1.6. The Fiscal year in which the grant is anticipated to be received;
- 2.9.2.1.7. Any insurance risks or requirements to be considered;
- 2.9.2.1.8. An estimate of the total program/project cost, including any ongoing impact on operations; and
- 2.9.2.1.9. Any other government agencies involved in the grant.

2.9.2.2. The information will be reviewed and concerns or questions will be communicated to the initiating department within five working days. If the decision is favorable, the department may proceed with the grant application. The information submitted will become a permanent part of the grant file. If the Finance Director identifies issues, the department may be asked for more information to support the request.

2.9.3. Acceptance Process

2.9.3.1. Upon notice of grant award, the grantee department submits the contract to the City Manager's Office for signature and Council action based on the dollar amount (if required). The Department Head shall not be authorized to enter into grant contracts on the City's behalf.

2.9.3.2. If Council action is required, the grantee department prepares a grant resolution and submits it and the contract to the City Manager's office.

2.9.3.3. Grantee department sends copies to interested parties and all original documentation to Finance.

2.9.4. Budget Process

2.9.4.1. Request new grant, activity and revenue codes from Finance. These codes will be used to track grant revenues, expenditures, and City match.

2.9.4.2. There are two options for budgeting grants:

2.9.4.2.1. Budget only the amount of the grant and match expected to be spent in the current fiscal year, or

2.9.4.2.2. Budget and encumber the entire amount of the grant and the match, regardless of the amount you intend to spend during the current year. At the end of the fiscal year, the actual expenditure will be reconciled with the budgeted amount. Any remaining encumbrance will be carried forward to the new fiscal year.

2.9.5. Record Management Process – A complete set of records will be maintained in accordance with the Records Retention Policy of the City of Ontario and all applicable state and federal laws.

2.9.6. Purchasing Process – Within the City of Ontario, the Finance Department has been given authority and responsibility for purchasing activity oversight. Detailed policy guidance is provided in [the Finance Policies and Procedures Manual Section 1.8](#). The key provisions for ensuring compliance with Federal and State grant requirements are summarized below:

2.9.6.1. Make maximum, most economical use of available resources.

2.9.6.2. Provided maximum open and free competition in all purchasing transactions.

2.9.6.3. Conduct purchasing procedures in accordance with the [pPurchasing procedures Ordinance](#) of the City of Ontario.

2.9.6.4. Use purchasing methods, which meet Federal and State requirements.

2.9.6.5. Conduct analysis of decisions to determine appropriateness of contract pricing or contract costs.

2.9.6.6. Provide documentation to substantiate compliance with

requirements (a) through (e).

2.9.7. Accounting Process

2.9.7.1. The City of Ontario general ledger system constitutes the official database for grant financial reporting.

2.9.7.2. The grantee department is responsible for providing staffing resources to create the original supporting documentation for grant expenditures and to verify that these are correctly recorded in the City's accounting system (e.g., time sheets, accounts payable).

2.9.7.3. The Finance Department is responsible for maintaining the purchasing, payroll, accounts payable, accounts receivable, cash receipts system according to grantor standards.

2.9.8. Cash Management Process

2.9.8.1. Programs funded with grant revenues are not to rely on general City cash resources to meet cash flow shortfalls. Grant draw downs are to be requested from the grantor agency as soon and as often as practical.

2.9.8.2. The finance department may prepare or provide review for requests for grant draw downs on the grantor's forms according to the decided upon schedule.

2.9.8.2.1. Federal grant payments are requested by letter of credit to be disbursed by Federal funds wire.

2.9.8.2.2. Checks for State and local grants are made payable to the City of Ontario and mailed to the City of Ontario, 444 SW 4th Street, Ontario, Oregon 97914.

2.9.8.2.3. Grant payments by Federal funds wire are directed to the contracted bank for credit to the City of Ontario's general account.

2.9.9. Program Compliance Process

2.9.9.1. Successful grant management requires that the City be able to demonstrate that the service delivery and/or project requirements of the grant have been met.

2.9.9.1.1. The grantee department is responsible for constantly monitoring performance to ensure that time schedules are being

met, projected work units by time periods are being accomplished, and other performance goals are being achieved.

2.9.9.1.2. The Finance Department will provide technical support to consult with departments on program compliance issues.

2.9.10. Audit Process

2.9.10.1. The audit of a grant includes program compliance as well as financial compliance testing. The grant may be audited annually or at the end of the project or program. State and local grants have the potential to be are audited by the particular agency involved. Federal grants are required to follow Uniform Guidance regulations.~~are audited under the Single Audit Act of 1984 and in Accordance with OMB Circular A-128.~~

2.9.10.2. Finance will assess the audit requirements for the grant and develop the plans for the audit with cooperation from the grantee department.

2.9.10.2.1. For Federal grants, ~~f~~Finance will schedule an audit under Uniform Guidance Single Audit Act audit (if required) as part of the annual City comprehensive audit and keep the grantee department informed of the schedule.

2.9.10.2.2. Finance will schedule all other audits with the granting agencies and keep the grantee department informed of the schedule.

2.9.10.2.3. Finance and the grantee department are responsible for meeting auditor information needs for financial and compliance testing; in a timely manner.

2.10.10 Internal Control Violations

2.10.1. Purpose: This section provides direction to the Finance Department for methods in enforcing the City's internal control policies. Employee adherence to established internal control policies is essential in maintaining an adequate internal control system that can enlist confidence from the public over the use of public funds and be utilized for independent audit purposes.

2.10.2. Violations – General Guidelines

2.10.2.1. Occasionally it is necessary for the Finance Department management, together with departmental management staff, to resort to corrective action when other actions are inappropriate, or where a particular employee fails to respond to informal guidance. ~~In order to~~ To provide a fair method of correcting, and when necessary, disciplining employees, the City will use progressive warning and discipline procedures.

2.10.2.2. A warning shall be initiated for any proper reason for violations of the City's established internal control procedures. Progressive warning for violations include: first, Verbal Counseling, next, Written Warning, and finally, a request to the City Manager that a Violation be placed in the employee's personnel file.

2.10.3. Appeal of Violation Actions

2.10.3.1. Any regular employee who has received a written warning or violation shall have the right to appeal to the City Manager. Notice of the appeal must be filed not later than ten (10) days of the effective date of the action. The Notice of appeal shall include at least the following information: (a) a statement of the complaint and the facts upon which it is based; (b) the remedial action requested; (c) a statement of the reasons why the remedial action is appropriate; (d) a statement of any policies, procedures or law or rules which have not been adhered to or which should be followed. The appeal shall be heard by the City Manager within twenty (20) days after receipt of the request. The City Manager shall furnish the department head concerned with a copy of the notice of appeal in advance of the hearing.



Section 3 - Budgeting

3.1 Introduction

- 3.1.1. This section has been developed to provide City staff involved with budget preparation with a conceptual framework in which to prepare the Executive Budget Recommendation. Whenever possible, specific policies, procedures, and parameters have been outlined to enable the user to operationally develop a particular aspect of the budget. There may be instances when an unusual situation that might affect a department is not addressed in this manual; in that case, the department should contact the Finance Director for specific instructions to address the situation.

3.2 Budget Process Timeline

- 3.2.1. A budget calendar is prepared each year by the city manager and finance director and is approved by the City Council. This will give the general guidelines on the timing of the budget steps.

~~**3.2 Budget Process Timeline**~~

~~**July** — Prior Fiscal year-end financial evaluation begins~~

~~**August** — Year-end financial adjustments continue~~

~~**September** — Financial Audit by external firm begins~~

~~**October** — Prepare evaluation for Amended Budget for new Fiscal Year~~

~~Financial Audit by external firm completed~~

~~**November** — Send out request forms to Department/Division Heads for new Fiscal Year Adjustments~~

~~Receive Notice of Assessment Data from County Assessor — prepare preliminary tax base evaluation~~

~~**December** — Receive Mid-Year Adjustment Requests~~

~~City Manager and Finance Director evaluate impact and make recommendations to Council~~

~~Receive Certified copy of Assessment Data from County Assessor~~

~~**January** — Amended Budget is prepared, Council approval~~

~~————— Publish mid-year financial condition by January 31~~

~~**February** — Hold Mid-Year Budget Committee Meeting~~

~~Fee and rate updates are prepared by Departments~~

~~————— Revenue projections are prepared for next Fiscal Year~~

~~Department/Division Heads Prepare Next Fiscal year's Budget Requests~~

March — ~~Budget requests due to City Manager and Finance Director~~

~~Team Budgeting Meetings occur to Balance the Budget~~

April — ~~Prepare draft Proposed Tax Rate Resolution — Public Hearing Publication by the first Council Meeting in June~~

~~City Manager recommendations and narrative update is prepared~~

~~Budget books are prepared and distributed to Mayor, Council, and balance of Budget Committee~~

~~Budget Meetings between Mayor, Council, Budget Committee, and City Staff scheduled and advertised~~

May — ~~Budget Meetings between Mayor, Council, Budget Committee, and City Staff continue~~

June — ~~Publish the notice for Public Hearing on Budget~~

~~Public Hearing on Budget Recommendations second meeting in June~~

~~Final passage by second Council Meeting in June/ Council Approval of Annual Budget~~

~~Next fiscal year budget is entered into the system upon adoption~~

~~Current year operating expense cut-off and encumbrance entry deadline are the last working day of the month~~

~~By September 30, send copy of Resolution (Tax Levy) to County Clerk~~

3.2 3.3 Department Responsibility

3.3.1. Purpose: This section describes the responsibilities of departments related to the budget document, budget activities, and designation of a Budget Coordinator.

3.3.2. Departments are responsible for the following materials for the budget document:

3.3.2.1. ~~BudgetStandard~~ narrative including accomplishments and performance indicators. ~~goals and objectives (created on Word for Windows by departments)~~

~~1.1 Functional Organizational chart updating (reviewed by departments from hard copy supplied by Finance)~~

3.3.2.2. Financial Summary Requests: Information regarding historical and current financial line item allocations will be provided to each department. The information will be presented in such a format that the department will update the request column and then return the final document to the Finance Director.

3.3.3. In addition to the preparation of budget document materials, departments participate in the following activities:

3.3.3.1. Revenue projections

3.3.3.2. Full-time employee (FTE) reconciliation

3.3.3.3. Capital project and encumbrance reserve estimates

3.3.4. Each Department Head will have the following responsibilities:

3.3.4.1. Act as liaison between the department and the Finance Director

3.3.4.2. Disseminate information from Finance within the department

3.3.4.3. Attend Team Budget meetings

3.3.4.4. Coordinate departmental budget activities and ensure that deadlines are met

3.3.4.5. Review all budget materials for accuracy, content, and style

3.3.5. Department information is confidential until released by the City Manager, or his designees.

3.4 Budget Review Process

3.4.1. **Purpose:** This section describes the Budget Review Process.

3.4.2. The framework for municipal budgeting is established by Oregon Local Budget Law as set forth in Chapter 294 of the Oregon Revised Statutes. The law has four major objectives.

3.4.2.1. It establishes standard procedures for preparing, presenting and administering the budgets of Oregon's local government;

3.4.2.2. It encourages citizen involvement in the preparation of the budget before its formal adoption.

3.4.2.3. It provides a method of estimating revenues, expenditures and proposed taxes.

3.4.2.4. It offers a way of outlining the programs and services provided by local governments and the fiscal policy used to carry them out.

3.4.3. The City Council adopts an annual budget on the modified accrual basis of accounting for all governmental fund types. The procedures outlined below are followed in establishing the allocation of resources and determination of expenditures.

3.4.4. The Finance Director and the City Manager, with the assistance of the department heads, prepares a budget of estimated revenues and expenditures for the forthcoming year. ~~The proposed budget is delivered to the City Manager.~~ The City Manager and Finance Director reviews the proposed revenues and expenditures with ~~the Finance Director and~~ each department head. After necessary revisions have been made, the City Manager and Finance Director ~~Finance Director, on behalf of the City Manager~~ submits the budget to the budget - to the Mayor and City Council in late April, early May of each year-committee.

3.4.5. The Budget Committee then conducts budget work sessions with the City Manager, Finance Director and staff to make final revisions to the proposed budget. Notice of the scheduled Budget Committee Meetings must be published twice, five to 30 days before the committee meeting. Publications must be separated by at least five days. Public ~~BBudget Committee m~~Meetings, commencing with the ~~introduction of the budget document~~budget message, will be held until all fund ~~and department~~ budgets are recommended for approval.

3.4.6. ~~No more than thirty days after the Budget Committee Meetings end, T~~he ~~b~~Budget is presented in an advertised budget hearing~~publication~~, as required by law, before the City Council by the Finance Director. This usually occurs at ~~a~~the

~~second~~ City Council meeting in June. The City Council is required to approve a budget for the subsequent year by June 30. ~~The Budget Summary is available to the public promptly after adoption for review or purchase.~~

- 3.4.7.** The city reviews the budget appropriations and actual financial requirements on a continual basis~~at mid-year~~. The City Council may, by adoption of a budget resolution or supplemental budget, make adjustments to revenues and expenditures during that time up to the limits allowed by State budget law.
- 3.4.8.** At the end of each budget period, all positive ~~unencumbered~~ appropriated balances lapse expenditures are not carried forward unless budgeted to do so. The level of budgetary controls, the level at which expenditures cannot legally exceed the appropriated amount, are established at the fund level. Effective budgetary control is also aided in the general fund by establishing controls at the department level.
- 3.4.9.** During the budget year, the City Manager may transfer any unencumbered balance or portion thereof from the expenditure authorization of one account to another within expenditure type in the same fund.

3.5 Taxing Authority

- 3.5.1.** The Council shall levy and cause to be assessed and collected ad valorem property taxes.
- 3.5.2.** Each year the Finance Director shall present to the Council the following information for each tax rate to be levied:
- 3.5.2.1. The estimated assessed valuation by category of real property in the city as entered in the tax book for the fiscal year kept which the tax is to be levied.
- 3.5.2.2. The assessed valuation by category of real property in the City for the preceding taxable year.
- 3.5.2.3. The amount of revenue required to be provided from the property tax as set forth in the annual budget adopted.
- 3.5.2.4. The proposed tax rate to be set.
- 3.5.3.** The Finance Director shall forward the estimate to the County Clerk on or before July 15th ~~September first~~ of each year. The Council shall also conduct at least one public hearing on the estimate and the proposed tax rate.



Section 4 – Operations/Customer Service

4.1 Introduction

- 4.1.1.** Financial operations are the link between the budgeting process and financial management. This portion of the Financial Policies and Procedures Manual is intended to give a readily available resource of guidelines and processes that affect many daily, weekly, and monthly financial transactions.
- 4.1.2.** The wide range of specific circumstances and conditions, which may occur with respect to any given transaction prohibit an exhaustive list. Nonetheless, this listing serves as a basis to assist you in financial ~~processing, and~~[processing and](#) will be revised continually as policies change and circumstances require new guidelines.

4.2 Accounts Payable

4.2.1. Purpose: The Purpose of this section is to describe the overall function of Accounts Payable. This includes the outline of special account procedures related to authorizing expenditures, establishing and maintaining cut-off dates when submitting invoices for payment, processing Purchase Orders, creating and maintaining vendor files, processing invoices, entering accounts payable invoice data for payment, payments to employees, employee travel and mileage reimbursement checks, special run vendor checks and policies concerning releasing checks.

4.2.1.1. Expenditure authorization – Expenditure authorization is established by the budget appropriation. The City Manager and Department Heads, or their designees, execute the distribution of these funds by the coding of Purchase Orders and subsequent invoices.

4.2.1.2. Invoice Payment Schedule – Invoices are scheduled for weekly payment. ~~in conformity with pre-established cut-off dates that follow City Council meeting schedules and/or in accordance with the date the funds need to be available to payee.~~ These cut-off dates are established by the City Manager ~~Finance Director~~ with input from the Finance Department Accounts Payable Specialist each calendar year.

4.2.1.3. Purchase Orders – Purchase orders are initiated by the Department Head or their ~~designee, and~~ designee and processed by ~~the~~ Accounts Payable Specialist. ~~The~~ Accounts Payable Specialist receives encumbered invoices and releases the data for additional check processing.

4.2.1.4. Vendor Numbers – Vendor numbers are established for all individuals and organizations to receive payment through the City's accounts payable. These numbers are based on alpha and numeric order with addresses and social security numbers as supporting data.

4.2.1.5. Establishing Invoices – All invoices should include distribution information if it varies from the regular process. To be considered for payment the following forms will be accepted.

4.2.1.5.1. Purchase order must be completed at the time of order by ~~requester, and~~ requester and accompanied by supporting data.

4.2.1.5.2. An invoice ~~is~~ provided by payee.

4.2.1.6. Processing Invoices

4.2.1.6.1. Accounts payable receives all invoices, statements, and credits. The invoices are reviewed for accuracy and correct balances.

4.2.1.6.2. The ~~h~~invoices are distributed to authorized department heads for coding if no Purchase Order is on file.

4.2.1.6.3. A vendor number is assigned to each invoice.

4.2.1.6.4. Data is entered to create an edit list showing vendors and an explanation of the expense. ~~All invoices received by 5:00 PM on Tuesdays will be included in that week's edit list to be paid. The Finance Director approves this listing.~~

4.2.1.6.5. Checks are generated and released after signatures are obtained on the checks the day following the City Council meeting to allow for the necessary City Council approval of the bills.

4.2.1.7. Payments to Employees – Employees may not authorize payments to themselves. The employee's ~~d~~Department ~~h~~Head or the City Manager must approve the expenditure. The mayor will approve City Manager payments.

4.2.1.8. Employee Travel – Employee's may request funds in advance for travel using a "Travel Request Form" with payments being processed on the regular accounts payable cycles prior to departure. Guidelines for travel advances are set forth in the current employee rules and regulations. All funds must be requested in advance with a Travel Request Form and reimbursed upon return using an "Expense Reimbursement Request/Verification Form"; with documentation and receipts attached. See Section 5.

4.2.1.9. Emergency Vendor Checks – Checks that cannot be processed using the regular guidelines will be processed during a "special check run." Special check runs must be approved by the Finance Director. ~~Some examples of what will be allowed on special check runs:~~

~~9.1 Invoices allowing a discount for early payments~~

~~9.2 Payroll generated invoices~~

~~9.3 Utility Bills~~

~~9.4 AFLAC Reimbursements~~

~~9.5 Refund of payments~~

~~9.6 Utility Deposit Refunds~~

~~9.7 Debt Service~~

~~1. Check releasing procedures – All checks will be available for disbursement the Tuesday following the City Council meeting where they are approved. To have a representative of the payee or the payee himself receive the check at City Hall, the representative must sign a check release form and present valid identification. Checks for reimbursing employees for Flex Benefits payments or business costs will be available on Thursdays.~~

4.2.1.10. Educational Assistance – All continuing education courses for which reimbursement will be considered must follow the procedures outlined within Section 1.~~10~~9 Employee Development.

4.3 Purchasing/Procurement

4.3.1. [Please refer to Purchasing Policy for specific guidelines on purchasing.](#)

4.4 Purchase Orders

4.4.1. Purpose: The purpose of this section is to describe the responsibilities of the Purchase Orders for the City of Ontario.

4.4.2. Purchase Orders

4.4.2.1. The Accounts Payable Division is responsible for the automated recordkeeping portion of purchasing.

4.4.2.2. The City utilizes pre-numbered 'small' purchase orders (8 ½ x 4) and authorizes all Department Heads to issue said purchase orders for amounts up to \$1,000. Department Supervisors are authorized to issue 'small' purchase orders for amounts up to \$500. Other department staff are not authorized to issue purchase orders unless the Department Head or Department Supervisor issue a memo to the Finance Department identifying an individual who is authorized to sign 'small' purchase orders for a specific amount. In no case shall authority be granted in an amount that exceeds the Department Head or Supervisor authority.

4.4.2.3. The City utilizes pre-numbered 'large' purchase orders (8 ½ x 11) and authorizes all Department Heads to request said purchase orders for amounts up to \$4,999, when evidence of adherence to purchasing provisions are presented to the Accounts Payable Specialist or Finance Director. Upon establishment of compliance with the City's purchasing policies, the Department Head may sign the 'large' purchase order and procure the goods or services.

4.4.2.4. 'Large' purchase orders for amounts of \$5,000 or greater must be signed by both the Department Head **and** the City Manager following review for compliance to purchasing policies.

4.4.2.5. As previously stated, Purchases in excess of \$10,000 require bid documentation. The bid/contract document represents a liability to the City and ~~in order~~ to ensure the monies will be available for payment on a future date, the budget must be encumbered. The Finance Department will encumber the monies upon request and proper signatures and the system will generate a purchase order as documentation. The invoice will be receipted against the accounts payable invoice. An invoice, exceeding a purchase order amount, must be approved by the initiating Department Head prior to being amended/increased.

4.4.3. Vendor Codes

4.4.3.1. Payment of invoices requires vendor information to be entered into the accounting system. The Accounts Payable Division will assign vendor codes using six-digit alpha-numeric combination, enter vendor information, and maintain the vendor codes in a report format.

4.4.4. Accounts Payable Processing

4.4.4.1. Once the Accounts Payable Division determines the invoices to be paid and is responsible for entering the invoices in the accounting system. The checks are then printed, signature(s) are obtained and checks are mailed.

4.3—4.5 Fixed Assets

- 4.5.1.** Fixed assets are maintained by the Finance Department~~Accounts Payable Specialist~~ using a perpetual inventory system. The term “fixed asset” is used to describe land, buildings, vehicles, equipment, and other items used in providing services to the community. It is important to track an entity’s fixed assets to help protect the items against theft, loss, or misuse. The City will perform a physical inventory of its tangible capital assets, either simultaneously or on a rotating basis, so that all of the City’s tangible capital assets are physically accounted for, at least once every five years. Each asset will be included in a detailed physical inventory report and will identify items that have been disposed of or transferred to a different location within the City.
- 4.5.2.** ~~An item is given a pre-numbered bar code for identification. Upon payment of invoice, the bar code can then be used to trace the item back to the fixed asset listing, which includes serial numbers, model numbers, location, and historical cost information. Once the item is received by the department intended, it~~ is the department’s responsibility to notify the ~~Accounts Payable Specialist~~Finance Department upon transfer to another department or disposal.
- 4.5.3.** For ~~f~~Financial ~~s~~Statement purposes, the City capitalizes and reports any individual Fixed Asset over \$5,000 in ~~the Enterprise Funds and the General Fixed Asset Account~~Governmental Activities and Business-Type Activities with an estimated useful life of at least ~~one~~two years following the date of acquisition. The City will apply its threshold to individual items rather than to groups of similar items (e.g., desks and tables). Infrastructure assets will be treated separately from other capital assets and the capitalization threshold will focus on new construction or extension of useful life of an existing infrastructure item.

4.6 Accounts Receivable

4.6.1. This section describes the system used by the City of Ontario to bill outside organizations, businesses, and citizens for services provided by the City.

4.6.1.1. Real Estate Taxes are calculated by the Malheur County Assessor's Office and are billed and collected through the Malheur County Collector's Office for the City of Ontario.

4.6.1.2. All water and sewerage charges are billed and collected by the Utility Billing Clerk.

4.6.1.3. All other services performed (including utility services, use of City facilities, contract agreements and grant draws) and reimbursements for the City of Ontario are billed by the [Finance Department](#)~~Accounting Assistant~~.

4.7 Cashier/Cash Receipts

4.7.1. Purpose: This section describes the process to be followed by the cashier when receiving payments.

4.7.2. Cash is received either over the counter at city hall, or via wire transfer to the City's bank account. In cases of counter activity, a customer receipt is prepared by the Cash Receipts Specialist on the computerized cash register, which enters the transaction into the system, and is reviewed by ~~Accounts Receivable~~the Accounting Assistant. In cases of wire transfer to the City's bank account, a customer receipt is prepared by the ~~Finance Department Accounting Assistant~~ on the computerized cash register, which enters the transaction into the system, and is reviewed by the Finance Director. The computerized cash register also generates a cash receipts journal.

4.7.3. The cash receipt journal is prepared automatically by the computerized cash register. Therefore, as the cash is received into the register and a receipt is issued to the customer, the same information is used by the computer to prepare the cash receipts journal.

4.7.4. Each afternoon by 4:00 p.m., a posting is made to the central account for that day's activity. This provides for daily balancing of cash received and receipts generated for the day. Posting to the cash receipts journal is done each day a deposit is made. This posting must balance to all daily central account posting done since the last cash receipt journal posting.

4.7.5. Reports with the same posting information are generated each day and kept on file in the Finance Department.

~~Duplicate cash receipts are also generated with selected transaction and kept in the Finance Department.~~

4.7.6. Each time a deposit is made, the Finance ~~Department~~Administrative Assistant prepares a deposit summary sheet, which is a summary of the day's receipts. This sheet shows the amount deposited to each fund and total amount deposited into the bank account.

4.7.4. After all posting is done, the Finance ~~Department~~Administrative Assistant prepares a deposit slip, and a second Finance Department employee verifies the deposit. ~~A member of the Finance Department—The Finance Administrative Assistant~~ then delivers the deposit. After each deposit is made, the ~~Accounting Assistant compares~~ deposit receipt is compared to the amount recorded on the deposit summary sheet.

4.7.5. Internal controls involving cash receipts include:

- 4.7.5.1. Cash receipts are numbered by the computerized cash register.
- 4.7.5.2. Authorized personnel must enter a password prior to processing a receipt.
- 4.7.5.3. All void receipts are retained and noted for reason of void.
- 4.7.5.4. All checks submitted to Finance for processing shall be endorsed with:

FOR DEPOSIT ONLY
BANK NAME
CITY OF ONTARIO
ACCOUNT NAME
A/C (DEFINED)

4.7.6. Internal controls involving month-end procedures include month-end balancing of the deposit summary sheets and bank statements are performed by ~~the Accounting Assistant and approved by~~ the Finance Director and approved by the City Manager.

4.8 Payroll

4.8.1. Purpose: The purpose of this section is to describe the overall function of Payroll and to outline special procedures related to emergency payroll checks, copies of applicable personnel records, time sheet deadlines and signature requirements; and the City's policies for holidays and leaves of absence. Also provided is information on overtime pay and compensatory time.

4.8.2. Payroll – Payroll pays all employees' salaries and wages; prepares monthly, quarterly, and yearly reports on federal and state taxes; and issues W-2 tax forms to the government agencies and employees. ~~The~~ Payroll Division Specialist also prepares for payment of all insurance billings, employee retirement funds, deferred compensation, and mutual funds. Payroll processes garnishments, direct deposit, and general ledger account reconciliation for payroll-related accounts. Payroll maintains all time accrued for employees, merit increases, and other personnel action data.

4.8.3. Special Payroll Procedures

4.8.3.1. Emergency Payroll Checks – Payroll checks other than those issued on the regular paydays will be processed ~~only if a financial emergency exists. Emergency means an unanticipated circumstance beyond the employee's control which results in severe financial hardship as necessary.~~

~~No special checks are allowed in the three-day period before a payday due to computerized calculation processing.~~

4.8.3.1.1. All requests for emergency payroll checks must be submitted to Payroll at least 24 hours in advance of the time the check is needed. ~~No more than two special payroll checks per year will be allowed.~~

4.8.3.1.2. The emergency processing is subject to approval by the City Manager or his/her designee.

4.8.3.2. Copies of Forms – Payroll must have a copy of a new employee's Social Security card or other paper verification included with the hire Personnel Action form (PAF) (See Section 5). Employees are required to complete and sign a W-4 form and an I-9 form. ~~Also needed is a copy of any insurance forms filled out so that changes can be made on the monthly billings.~~

4.8.3.3. Time Sheet Information – Employees are required to sign their timesheets. Supervisors review and countersign the time sheets of their

employees. The deadline for turning in time sheets for payroll is 5:00 PM on the 21st of each month. If the 21st is on a weekend or holiday, timesheets are due on the following workday morning. This deadline will only be changed thru notification by the [Finance Department Payroll Specialist](#).

~~1. — Miscellaneous Payroll Information on an individual basis~~

~~3.1 — Obtaining Checks Early — In order to obtain a check early, an employee must be off on payday. Payroll checks may be picked up after 4:00 P.M. on the day before payday with Department head approval.~~

~~3.2 — Having another person pick up a check — someone else may pick up an employee's check. The employee must fill out a form from the Payroll Specialist authorizing one person to pick up their check. The authorized person will need to bring in a driver's license or state identification to verify identification and sign a check release form.~~

4.9 Treasury Management

4.9.1. **Purpose:** This section describes the treasury functions and outlines specific procedures to cash and debt management that are established within the Finance Department.

4.9.2. The Finance Director performs the primary function of treasury.

4.9.3. Treasury functions include the following:

4.9.3.1. Manage the City's investments

4.9.3.2. Oversee banking relations

4.9.3.3. Issue, track and manage the City's debt

4.9.3.4. Track City's contractual obligations relative to cash disbursement

4.9.3.5. Monitor cash flow

4.9.4. Specific Cash and Debt Management Procedures are as follows:

4.9.4.1. Loans/Installment Purchases - Because all loans and installment purchases are considered the City's debt, it is very important that Finance complete those transactions on behalf of the City. Finance will maintain a copy of the agreement, payment schedule, and contact name. Finance is also available to review terms of any loan or lease purchase agreement. All payments will be processed through Finance.

4.9.4.2. Credit Cards – Credit cards will be issued according to the City's travel and training policy. The use of these cards is primarily for convenience when traveling. An expenditure that is inappropriate for use of City funds may not be made on a City credit card.

4.9.4.3. Cashiering and Deposits – City offices that accept payments are limited to the ~~Library and the Aquatic Center~~[Recreation Center](#) and they must establish a system for timely deposit and recording of the funds. Use of printed, pre-numbered receipt forms is required. Turnover documentation providing appropriate account codes to credit the deposits should be sent to the [Finance Department](#)~~Cash Receipts Specialist~~ no later than two working days following the receipt. This ensures accurate credit of the deposit to the General Ledger accounts and timely deposit of funds received.

~~1.~~

4.9.4.4. Bank Accounts – Bank accounts may only be opened ~~by the Finance Director, by the Finance Department,~~ following approval by the City Manager and authorization by the City Council. No other employee or department of the City shall open a bank account in the City's name using the City's tax identification number.

4.9.4.5. Account Reconciliation – Monthly account reconciliation will be performed by the Finance Department, with copies of required information furnished to Finance within a timely manner. Reconciliation will clearly show beginning balance, deposits made, checks written, outstanding checks, and any charges or unusual items. The reconciliation must agree between the bank statement and the general ledger.

~~4.8 Purchasing/Procurement~~

~~Please refer to Purchasing Policy for specific guidelines on purchasing.~~

~~4.9 Purchase Orders/Accounts Payable Specialist~~

~~The purpose of this section is to describe the responsibilities of the Accounts Payable Specialist for the City of Ontario.~~

~~1. Purchase Orders~~

~~The Accounts Payable Specialist is responsible for the automated recordkeeping portion of purchasing.~~

~~The City utilizes pre-numbered 'small' purchase orders (8 ½ x 4) and authorizes all Department Heads to issue said purchase orders for amounts up to \$1,000. Department Supervisors are authorized to issue 'small' purchase orders for amounts up to \$500. Other department staff are not authorized to issue purchase orders unless the Department Head or Department Supervisor issue a memo to the Finance Department identifying an individual who is authorized to sign 'small' purchase orders for a specific amount. In no case shall authority be granted in an amount that exceeds the Department Head or Supervisor authority.~~

~~The City utilizes pre-numbered 'large' purchase orders (8 ½ x 11) and authorizes all Department Heads to request said purchase orders for amounts up to \$4,999, when evidence of adherence to purchasing provisions are presented to the Accounts Payable Specialist or Finance Director. Upon establishment of compliance with the City's purchasing policies, the Department Head may sign the 'large' purchase order and procure the goods or services.~~

~~'Large' purchase orders for amounts of \$5,000 or greater must be signed by both the Department Head **and** the City Manager following review for compliance to purchasing policies.~~

~~As previously stated, Purchases in excess of \$5,000.00 require a bid or contract document. The bid/contract document represents a liability to the City and in order to ensure the monies will be available for payment on a future date, the budget must be encumbered. The Accounting Clerk will encumber the monies upon request and proper signatures and the system will generate a purchase order as documentation. The invoice will be receipted against the accounts payable invoice. An invoice, exceeding an encumbrance by 10% or more, must be approved by the initiating Department Head prior to being amended/increased.~~

~~2. **Vendor Codes**~~

~~Payment of invoices requires vendor information to be entered into the accounting system. The Accounting Clerk will assign vendor codes using six-digit alpha-numeric combination, enter vendor information, and maintain the vendor codes in a report format.~~

~~3. **Accounts Payable Processing**~~

~~Once the Accounts Payable Specialist determines the invoices to be paid, he/she is responsible for entering the invoices in the accounting system. The Finance Director reviews the invoices to be paid prior to printing checks. After approval, the checks are then printed and given to the Cash Receipts Specialist for mailing.~~

4.10 Front Desk

4.10.1. Mail

4.10.1.1. All outgoing mail is processed at the front desk. Each department is responsible for the cost of its mail. The postage meter tracks the number of pieces and the dollar amount by the department.

~~Mail is delivered to the Post Office each day at 4:45 PM. Mail is dropped from the Post Office at 11:00 AM each day and is sorted and delivered to the departments. As a courtesy to employees, postage stamps are available for purchase upon request. Personal mail may be taken to the Post Office.~~

4.10.2. Billing

~~1.~~ 4.10.2.1. Each month a table is prepared for each department listing the amount owed for postage. Adjustment to accounts for payment of postage are made at the close of each month.

4.10.3. Petty Cash

4.10.3.1. Petty cash can be obtained from the front desk upon authorization. ~~The Petty Cash Fund's balance is \$200.~~ The procedure to obtain petty cash is to fill out a petty cash slip, provided by the front desk, noting the date, amount, account coding, reason for request, and approval by authorized personnel. The maximum limit is \$20 per request.

~~Travel reimbursements up to \$20 will be reimbursed through the Petty Cash Fund. This allows the employee to receive the reimbursement promptly and requires less processing costs than through accounts payable.~~

4.10.3.2. Request to draw more than \$20 from Petty Cash can be made to the Finance Director and will be considered when funds allow.

4.11 Surplus Property Disposal

4.11.1. Purpose: This section describes the methods for disposal of surplus personal property at the City of Ontario. Disposal of the City's surplus property is under the direction of the Finance Director. As items were purchased with public funds, the Council must declare items to be surplus prior to disposal and said disposal ~~must follow the provisions of ORS 279.011(6) and 279.015.~~ In every instance, unless specifically authorized by the City Council, revenues from the sale of surplus items must be deposited into the City's bank accounts. The methods of disposal used are:

4.11.2. Deminimus Valued Items – Non-capital material and supply Items that are normally used up during the normal course of business and have an individual value of less than \$2,500, are exempted from the formal surplus disposal process. These items can be thrown away, destroyed, or sold at a City yard sale without a declaration of surplus property.

4.11.3. Unusable Equipment – The disposal of capital equipment that has only a salvage value that is less than \$2,500, is exempted from the formal surplus disposal process. These items can be sold for salvage value without a declaration of surplus property.

4.11.4. Auction Sale of Property – Non-attached personal property may be sold at auction if the Finance Director determines that the auction contemplated will probably result in a higher return than if the property were sold by competitive written bid.

4.11.5. Liquidation Sales of Personal Property – The Finance Director may approve a department to sell personal property through a commercially recognized third-party liquidation if the Finance Director has determined that a liquidation sale will result in increased net revenue and the selection of the liquidator was conducted as a minimum, by the competitive Request for Proposal process.

4.11.6. Fixed Price Sale of ~~Property~~ - Property - The Finance Director may approve a department to sell personal property, including recyclable or reclaimed materials, without formal competitive bidding if the Finance Director has determined that this type of sale will result in increased net revenue and the City is in compliance with the following conditions:

4.11.6.1. When the current market value per item is deemed to be less than \$5,000, the Finance Director may establish or approve a Department Manager's selling price, schedule and advertise a sale date, and sell to the first qualified buyer meeting the sales terms.

4.11.6.2. City employees may submit an offer meeting the sales terms for the personal property when no offers meeting sale terms have been received within 72 hours of the sale date.

4.11.7. Sealed Competitive Bid for Property - When the current value per item is deemed to exceed \$5,000, the personal property must be offered for competitive written bid and be advertised in accordance with state ~~statutes, or~~ [statutes or](#) be offered for sale at public auction. If no bids are received or if a determination is made that the market value of the property exceeds that offer of the highest responsible bidder, all bids may be rejected and the Finance Director or appropriate Department Head may negotiate a sale subject to the following conditions:

4.11.7.1. An appraisal of the market value of the property is obtained and documented and the negotiated sale price meets or exceeds the market value; or

4.11.7.2. The sale amount exceeds the highest bid received through the bidding or auction process.

4.11.8. Donations of Property – The ~~City Manager~~ [Finance Director](#) may transfer property, including recyclable or reclaimed materials, without remuneration or only nominal remuneration without competitive bids to the following activities:

4.11.8.1. Another public agency; or

4.11.8.2. Any sheltered workshop, work activity center, or group care home which operated under contract or agreement with, or grant from, any State agency and which is certified to receive Federal surplus property; or

4.11.8.3. Any recognized non-profit activity, which is certified to receive Federal surplus property. The Finance Director may donate or sell, without competitive bids, surplus property to recognized private non-profit social or health service activities, subject to the following conditions:

4.11.8.3.1. A determination has been made that the property is not needed for other public purposes and that its economic value has been expended by the City;

4.11.8.3.2. It will be transferred to the non-profit corporation for the express purposes of providing the public services the non-profit corporation provides;

- 4.11.8.3.3. If the property has a current market value of \$250 or more, the donation or sale shall:
- 4.11.8.3.4. Be approved by the City Manager;
- 4.11.8.3.5. Be documented by the Finance Director to be clearly in the public interest; and
- 4.11.8.3.6. Be determined by the City Manager and Finance Director that this is the most efficient and cost-effective method for disposing of the property.

4.11.8.4. The Finance Department shall maintain a record of all transfers, donations, or sales authorized by Subsections 1 and 2 of this section.

4.11.9. Items of Specialized and Unique Use – Items of specialized and unique use, including but not limited to, uniforms, special clothing, and articles of personal apparel having individual current value of less than \$100 per item (such as a pair of shoes) may be sold to City employees or retired or terminated employees for whose use they were purchased. These items may be sold without bid and with a process deemed most efficient by the responsible Department Head.

4.11.10. Trade-In of Property - Property may be traded in conjunction with acquisition of other items at the time competitive bids are solicited for those items. Notice of the item traded in should be provided to Finance by the appropriate Supervisor or Department Head within seven (7) days of trade to remove from the asset list and discontinue insurance coverage.



Section 5 - Forms



City of Ontario

Financial Policies and Procedures Manual

dated July 12, 2018

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Introduction

The Financial Policies and Procedures Manual includes policies and procedures related to the ongoing financial management of the City's resources and information required to prepare the budget.

The preparation of the budget begins the financial management cycle, progresses to an adopted budget, and continues through accounting, monitoring and evaluating stages.

The manual is updated by the City Council, as needed, to reflect changes or additions to financial policies once discussed at the Executive Team level.

This manual is distributed to the Mayor, Council, City Manager, and Department Heads. Anyone who has responsibility for management of the budget and/or the financial affairs of the department or division should have a manual made available to them by their Department Head.

This Manual is intended to be an overview of various financial policies and procedures and is not meant to be a detailed authority source. If the material in the manual does not answer a question, please contact the Finance Department.

Financial Management Goals

The following goals and policies for the City are intended to guide the City in its financial matters. The goals consist of five significant goal statements (I through V), which provide the basic guiding parameters for financial management of the City. The policies of the City provide more specific direction on how to achieve the goals and are the basis for consistent actions that move the community and organization toward sound financial management decisions. Detailed policy descriptions and narratives are included in Section 1.

- Goal I:** To establish and sustain a community supported service system.
- Goal II:** To have a capital improvement program that adequately maintains and enhances the public's assets over their useful life.
- Goal III:** To provide cost effective services to citizens.
- Goal IV:** To provide financial and other service information to enable citizens to assess the costs and results of City services.
- Goal V:** To follow prudent and professional financial management practices to assure residents of Ontario and the financial community that our City government is well managed and in sound fiscal condition.



Section 1 - Financial Management Policies

1.1 Resource Planning and Allocation

1.1.1. **Purpose:** The purpose of this policy is to establish procedures for resource planning and allocation in accordance with long-range plans of the Council. This policy is applicable to all resource allocation and planning for the City.

1.1.2. The City budget will support the goals and policies of the City Council, Council adopted long-range plans, and service needs of the community.

The Mayor and Council have the legal authority and responsibility for the adoption of City goals and policies and an annual budget. The City organization is committed to carrying out Council goals and policies through service delivery.

Funding for services should take into consideration whether demand exists for maintaining the service or whether funding is better used elsewhere.

1.1.3. The City will maintain financial systems, which will develop budgets, provide control, and report revenue and expenditures at the line-item detail.

1.1.3.1. Efficient use of public resources requires that budget estimates be developed from a detailed level. This ensures that changes in the cost of individual line items are reflected and are neither over nor under estimated. Upon adoption, the line-item budgets become the basis against which expenditure trends are measured. Spending control at this level provides the ability to measure actual expenditures against expectations and allows program managers to identify positive and negative trends as the budget year progresses. The evaluation of these trends will then allow for more precise estimates of future budget needs.

1.1.4. Revenues, operating, debt service and capital expenditures, will be projected each year for at least the succeeding four years.

1.1.4.1. Future revenues and costs will be projected annually on an aggregate basis for four years beyond the current budget year. Based on assumed circumstances, including various economic, service, and inflationary factors, the forecast will attempt to portray whether community plans can be supported over the designated period. One of the essential attributes of these projections is the capability to project whether a new program or project can be supported over the long-term.

1.2 Accounting and Financial Practices

The purpose of this policy is to establish guidelines for which the City's financial reporting will be presented. This policy is applicable to all financial reporting and record keeping for the City.

1.2.1. The City will maintain an accounting and financial reporting system that conforms to Generally Accepted Accounting Principles and applicable Oregon Statutes, and will contract with an independent auditor each fiscal year for a financial statement audit.

1.2.1.1. The City utilizes an accounting system that conforms to Generally Accepted Accounting Principles, standards of the Governmental Accounting Standards Board, and Oregon Revised Statutes (ORS). Various Federal, State, and local statutes also govern financial practices and reporting. These standards and laws are intended to assure that city funds are appropriately budgeted, recorded, and reported.

1.2.2. The City will manage its funds as independent financial entities in accordance with legal, administrative, or Generally Accepted Accounting Principles and will ensure that one fund does not subsidize another fund.

1.2.2.1. The City's financial structure is composed of various funds; that is, self-balancing sets of accounts. Each fund is established as a result of statutory or administrative requirement. From a private sector perspective, each fund can be considered a wholly-owned subsidiary of the City. Accordingly, each fund can be considered a separate independent business, which must support all of the direct and indirect costs of operating services or capital maintenance and enhancement. Co-mingling of funds is generally prohibited by statute, administrative policy, or Generally Accepted Accounting Principles.

1.2.3. The General Fund will maintain an unappropriated ending fund balance within the General Fund to ensure sustainability. The target ending fund balance will be 3 months of General Fund operating expenses.

1.2.4. The General Fund will maintain a contingency account within the Administrative Overhead Department to meet unanticipated requirements during the budget year.

1.2.4.1. The budget is prepared prior to actual implementation. With the complexity of the organization and the dynamic environment in which the City provides services, it is not always possible to anticipate every expenditure

requirement during the budget year. Therefore, contingency funds are established to meet emergency requirements necessary to maintain services and to meet unexpected requirements identified by Staff and approved by the Council.

1.2.4.2. With the exception of grants or earmarked donations, the City will not normally earmark revenue for specific public purposes in general service funds such as the General Fund.

1.2.4.3. Earmarking or dedication of revenues can be a major deterrent to making best use of available resources. It may force the City to spend money in an area of lesser need, or no need, or to lose that source of revenue.

1.3 Revenue and Collection

1.3.1 Purpose: The purpose of this policy is to establish procedures for resource planning and allocation in accordance with long-range plans of the Council. This policy is applicable to all resource allocation and planning for the City.

1.3.2 Cost Recovery Policy - The City Council will review Staff proposals to establish cost recovery policies for fee supported services which consider the relative public/private benefits received from the services being provided and/or the desirability of providing access to services for specialized populations. These policies will determine the percentage of full service costs to be recovered through fees. The level of cost recovery will be routinely adjusted to ensure that rates are current, equitable, and competitive and cover that percentage of the total cost deemed appropriate.

1.3.2.1. Many services provided by the City directly benefit individuals and not the community as a whole. These services include building permits, recreational services, and many others. When services of this nature are subsidized by the general taxpayer, scarce resource dollars are not available for other City services. In these user-choice services, the customer has the opportunity to determine whether the service is used, with part of that decision being made through the normal pricing system.

1.3.2.2. In such cases, the City is committed to recovering the full cost of providing the service, including both direct and indirect costs, through a user fee or service charge.

1.3.2.3. It is important for the City to:

1.3.2.3.1. Develop broad policies concerning funding of services

1.3.2.3.2. Review all services to determine if a fee should be charged

1.3.2.3.3. Set fees that are comparable to other jurisdictions and/or that recover the partial or full costs of providing that service

1.3.2.3.4. Consider user's ability-to-pay and other social/community benefits of the service

1.3.2.3.5. Periodically evaluate fee amounts.

1.3.2.4. In some cases, full cost recovery is not permitted because of statutory restrictions, and in other cases it may not be desirable for social/community benefit reasons. The Council shall determine when social/community benefits should be considered in the establishment of fees.

1.3.2.5. A comprehensive fee schedule will be presented annually for Council approval. Recommendations of changes in fees will be presented and the fee schedule will be approved by resolution with the opportunity for the public to comment.

1.4 Organizational

1.4.1 Purpose: The purpose of this policy is to ensure proper organizational structure to carry out the policies of the Council. This policy is applicable to the City Manager. The City manager will review the organizational structure at frequent intervals to assure that it is responsive to current conditions and minimizes service duplication in the organization and with other local government jurisdictions.

1.4.1.1. As the community and organization grow, the City must continually examine its structure to ensure maximum efficiency and respond to changes in its operating environment. Areas of duplication should be eliminated and the delivery of service should be rationalized with other jurisdictions to ensure the most efficient and effective use of public resources.

1.4.1.2. Changes to full-time equivalent (FTE) positions shall be approved by the City Council. Job description updates will be approved by the City Manager. A reclassification of a position shall be approved either through the budget or City Council approval outside of the budget.

1.5 Authorized Signatures

- 1.5.1. Purpose:** The purpose of this policy is to outline the authorized positions to act on the City's behalf for the signature of checks and electronic funds transfers. This policy is applicable to the signing of all checks and electronic funds transfers for the City of Ontario.
- 1.5.2.** The Mayor, City Manager and the Audit Committee shall sign all checks issued by the City. Each check under \$5,000 will have one manual signature. Checks over \$5,000 will have two manual signatures.
- 1.5.3.** Electronic funds transfers into and out of the City's accounts may be initiated by authorized Staff in the Finance Department for payment of payroll and debt service liabilities and to process automatic debit payments to the City for utility billing accounts. In all instances, the electronic funds transfer must be initiated by an authorized Finance Department staff member and reviewed and approved by the Finance Director and/or city manager to maintain a high level of internal control.

1.6 Investments

1.6.1. Purpose: The purpose of this policy is to establish investment guidelines. This policy is applicable to all available cash for the City of Ontario.

1.6.2 Investment Objectives

1.6.2.1. When making investments, the City will follow State laws and local investment guidelines, and shall abide by the following criteria in priority order:

- 1.6.2.1.1. Preservation of capital
- 1.6.2.1.2. Maintenance of a liquid position
- 1.6.2.1.3. Maximum yield

1.6.2.2. As a municipality, the City cannot make investments for the purpose of trading or speculation, such as anticipating an appreciation of capital value through changes in market interest rates.

1.6.2.3. The primary objective of the City of Ontario's investment activities is the preservation of capital.

1.6.2.4. In investing public funds, the City will not assume unreasonable investment risk to obtain current investment income.

1.6.2.5. The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating capital and debt service requirements, which might be reasonably anticipated. This need for investment liquidity will be tempered to the extent that the City is able to issue Tax Anticipation Notes, Bond Anticipation Notes, or other short-term notes under bank credit lines to meet its cash flow requirements.

1.6.2.6. The City will diversify its investments to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

1.6.2.7. In managing its investment portfolio, the City is specifically limited to those investments consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices and authorized by ORS 294.035 and 294.810. Investment of any tax-exempt borrowing proceeds and of any debt service funds will comply with the "arbitrage" restrictions of Section 148 of the Internal Revenue Code of 1986.

1.6.2.8. The 90-day Treasury Bill is considered the performance yardstick.

1.6.3. Investment Maturities

1.6.3.1. To the extent possible, the City will attempt to match its investments to anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities with maturities greater than eighteen months. With the approval of the Council, the City may invest in securities maturing in not more than three years if the investment is related to a specific cash flow or a particular capital project.

1.6.3.2. With the approval of the Council, debt may be defeased with longer-term investments in direct obligations of the United States government or those obligations, which are fully guaranteed by the United States.

1.6.3.3. Banks may collateralize the City's repurchase agreements using investments with longer maturities. Not more than 25% of the City's total investment portfolio should be placed in securities maturing in more than eighteen months.

1.6.3.4. The City recognizes that unnecessary liquidity may adversely affect the return earned on its investment portfolio. At the same time, the City will maintain access to the short-term market as a liquidity buffer in order to meet unanticipated cash requirements. However, if the rate spread between short-term borrowing and portfolio yield is significant, sale of securities to meet liquidity needs is preferable.

1.6.4. Investment Diversification

The City will diversify its investments across security types and institutions. With the exception of U.S. Treasury, Agency, and instrumentality issues, investments will be restricted as to type and institution.

1.6.5. Investment Limitations

1.6.5.1. Specific investment types shall not exceed the percentages of the total investment portfolio indicated below. These specific types shall be the only allowable investments for the City.

1.6.5.2. The primary determination of maturity will be to retain liquidity to meet projected and unexpected cash needs of the City. Any decisions to purchase investments with maturities that exceed 180 days will be the city manager's determination.

	Maximum % of Total Portfolio	Maximum Length Of Maturity
U.S. Government Agencies	25%	2 years
Local Government Investment Pool	100%	No Limit
Time Certificates of Deposit	10%	18 months
Repurchase Agreements (overnight)	25%	30 days

1.6.5.3. Additional investment account types may be added to the City's portfolio as approved by the City Council.

Portfolio Balance

Maturing in under 90 days	25% minimum
Maturing in 91-180 days	50% minimum
Maturing in 181 days to 18 months	75% minimum
Maturing in under 3 years	100% minimum, except for defeased debt

1.6.6. Time Certificates of Deposit

The City will not invest in time certificates of deposit in a single institution in an amount in excess of 10% of the total deposits of the institution. The City Finance Director is responsible to ensure that the deposits are adequately collateralized.

1.6.7. Authorized Dealer and Financial Institutions

1.6.7.1 The City Finance Director will maintain a list of financial institutions and primary securities dealers designated by the Federal Reserve Bank of New York as authorized to provide investment services. Selected regional dealers with offices in Oregon will be considered on an individual basis after careful review of financial statements. The City will limit all security purchases to this list.

1.6.7.2 Deletions from this list may be made for a consistent lack of competitiveness in bids or for perceived financial distress. Additions to the list may be made at the discretion of Finance Director.

1.6.8. Competitive Selection

The Finance Director, or authorized agent, shall obtain quotes before purchasing an investment. If an amount The Finance Director shall select the quote, which

provides the highest rate of return within the maturity required and within the parameters of this policy.

1.6.9. Accounting Method

Investments will be carried at cost unless otherwise required by debt instruments or GASB Standards to be held at Fair Market Value (FMV). Gains or losses will be credited or charged to investment income at the time of sale. Premiums or discounts may be amortized over the life of the security. Write-downs may be necessary if the portfolio contains significant market losses at year-end. For financial statement reporting Generally Accepted Accounting Principles will be followed.

1.6.10. Cash Management

The Finance Director will maximize the City's investment income by monitoring cash balances. Excess cash will be invested according to the City's investment guidelines.

1.6.11. Reporting Requirements

The Finance Director will maintain and provide the City Manager with reports on security holdings and investment performance, which may be reviewed upon request.

1.6.12. Authority and Control

The Finance Director will act only upon such authority as provided for within this policy, state statute and by authorization of the City Manager. Any investment activities outside such authority must have prior written approval of the City Manager.

1.6.13. Indemnity Clause

The City shall indemnify staff from liability for losses that may occur in the administration of this investment policy so long as the activities of Staff comply with the City's policy and State law.

1.7 Debt

1.7.1 Purpose The purpose of this policy is to establish debt issuance guidelines. This policy is applicable to all debt issuance for the City of Ontario.

1.7.2. Bond Rating

1.7.2.1. The City will seek to maintain, and if possible, improve its current bond rating so its borrowing costs are minimized and its access to credit is preserved.

1.7.2.2. Sound financial practices, debt management and capacity, and competent management support the maintenance of the City's current bond rating. In its relations with rating agencies and the investment community, the City will follow a policy of full disclosure, as required by legal and professional practices.

1.7.3. Debt Issuance Guidelines

1.7.3.1. The City will have a specific set of debt issuance guidelines consistent with Federal, State, and local laws and policies.

1.7.3.2. The debt guidelines will recognize how much debt the community can support, not only based on debt of the City, but debt of overlapping jurisdictions as well. Debt should not be used for the provision of routine operation unless it is only for cash flow purposes or the borrowing costs are less than the rate of invested funds. Debt should never be issued for a period longer than the estimated useful life of an improvement or asset.

1.7.4. Credit Worthiness

1.7.4.1. The City will seek to maintain, and as possible, improve its current credit rating so its borrowing costs are minimized and its access to credit is preserved and enhanced.

1.7.4.2. The City will maintain good communications about its financial condition with bond and credit rating institutions.

1.7.4.3. The City will follow a policy of full disclosure for all disclosure documents, which meets or exceeds the disclosure guidelines as developed by the Government Finance Officers Association.

1.7.5. Borrowing Purposes

1.7.5.1. The City will not fund current operations from the proceeds of borrowed funds, except for short-term cash flow borrowing such as Tax Anticipation Notes.

1.7.5.2. The City will confine long-term borrowing to capital improvements, projects, or equipment, which cannot be funded from current revenues.

1.7.6. Debt Repayment

1.7.6.1. When the City uses long-term debt financing, it will repay the debt within a period not to exceed the useful life of the improvements or equipment.

1.7.6.2. Whenever possible, debt shall be self-supporting, and will be revenue debt, or revenue-backed with a general obligation pledge.

1.7.6.3. The general obligation pledge will be used only for projects, which have a general benefit to City residents, which cannot be self-supporting.

1.7.6.4. Neighborhood Improvement Bonds may be issued for extra-territorial assessments. Such bonds shall be secured by the assessment payments and be reserves funded from other payments made by the benefited parties. The term of the bonds shall match the projected cash flow from assessment payments and foreclosure sales.

1.7.6.5. Advance refunding will be undertaken only when the net present value savings exceeds 4% or when the restructuring of debt is in the City's financial interest.

1.7.6.6. Lease purchase debt, including certificates of participation, will be considered as an alternative to long-term vendor leases when cost effective. Such debt will be subject to annual appropriation and administered by the Finance Department.

1.7.6.7 Long-term lease purchases for buildings and facilities will be used when the cost of a lease purchase is lower than other options or if deemed appropriate because of time constraints, etc.

1.7.7. Key Debt Ratios

1.7.7.1. There are several key debt ratios that investors and financial analysts use when reviewing a City's credit worthiness. The City of Ontario has

established a set of guidelines which are to be used when reviewing the key debt ratios. These numbers are indicators of financial stability. Below is a listing of the City's key debt ratios:

Type of Ratio	Guideline
Net Direct Bonded Debt as percentage of Assessed Value	20%
Net Direct Bonded Debt Per Capita	\$750
Net Direct Bonded Debt Per Capita as Percentage of Per Capita Income	3.0%
General Obligation Debt Service as a Percentage of General Fund Revenues	10.0%
Percentage of Total Debt that will be retired at the end of Ten Years Expenditures	50.0%

1.7.7. Conduit Financing

1.7.7.1. Recognizing that the City is able to issue debt for broad purposes, it may be appropriate to issue on behalf of another party when the City Council, after a complete review process, determines that the proposed project will provide a general benefit to City residents.

1.7.7.2. The City will consider issuing conduit financing which will not impair the City's credit rating. Any financing issued through the City shall qualify for an investment grade rating by one or both of the two top rating agencies.

1.7.7.3. All expenses related to conduit financing will be borne by the applicants. The City shall establish review procedures for projects, including public contracting and financial fees.

1.7.8. Other Financing

Entities associated with the City may issue debt subject to the same criteria listed above. Debt issued by City agencies shall be approved by the City Council.

1.8 Purchasing

- 1.8.1. Purpose The purpose of this policy is to establish purchasing guidelines. This policy is applicable to all purchasing for the City of Ontario.

1.8.2. Introduction

1.8.2.1. The City's Purchasing Section was established to ensure that needed goods and services are obtained in a timely manner, at the lowest prices possible, consistent with acceptable quality standards, and within the requirements of public purchasing laws.

1.8.2.2. Consistent with these objectives, a part of the City's procurement activity is decentralized. In recognition of the cost of staff time and to reduce the cost of making small purchases, purchasing cards are issued to selected personnel as approved by the Department Head and City Manager. The purchasing card will be defined later in this manual.

1.8.2.3. Procedures which apply to purchases made directly by City staff as well as the steps followed by the Finance Department are described below, along with the public purchasing law and ethical standards that shape the City's purchasing activities.

1.8.2.4. Governing Laws and Regulations – Procurements by the City of Ontario are governed by federal laws, Uniform Guidance standards and state and local laws and regulations. The City of Ontario establishes further requirements for the City's purchasing activities in separate sections of this policy. The City policy, adopted by resolution, along with the state statute and the City's administrative policies and procedures describe basic procurement processes: e.g., public bidding, bid opening, bid evaluation and bid award.

1.8.2.5. Principles and Ethics – All employees of the City of Ontario subscribe to the following principles and ethics:

1.8.2.5.1. We believe in the dignity and worth of the service rendered by government and our own social responsibility as trusted public servants. We consider, first, the interest of the City in all transactions and carry out and believe in the City's established policies and ordinances and the laws of the State of Oregon.

1.8.2.5.2. We keep the City informed, through appropriate channels, on problems and progress of the agency we serve, but

keep ourselves in the background, by emphasizing the importance of the facts.

1.8.2.5.3. We are governed by the highest ideals of honor and integrity in all public and personal relationships in order that we may merit the respect and inspire the confidence of the City and the public, which we serve.

1.8.2.5.4. We strive to stimulate competitive bidding in order to obtain goods and services at the lowest possible cost, and to provide all interested vendors with the opportunity to offer their products to the City.

1.8.2.5.5. We strive to accord a prompt and courteous reception, so far as conditions will permit, to all who call on a legitimate business mission.

1.8.2.5.6. We believe that personal gain or benefit obtained through misuse of public or personal relationships is dishonest.

1.8.3. Conflict of Interest - No employee or official of the City shall participate in a transaction, contract, activity, or service of the City in which they personally have a direct or predictable effect on their financial interests or the interests of an immediate family member.

1.8.4. Personal Purchases – It is prohibited for an employee or official to make purchases for their own personal purposes or to receive special pricing from a vendor using the City's name, account, or reputation.

1.8.5. Unauthorized Purchases - No individual has the authority to enter purchase agreements or contracts on behalf of the City unless specifically authorized to do so. Individuals with authority are the City Manager up to \$75,000, the Executive Team up to \$5,000, personnel with purchasing cards up to the limit of the P.O. or amount authorized by the Department Head, and the Finance Director for debt service payments and as necessary to continue daily operations of the City but still complying with all ordinances and State laws and regulations. The Council must authorize contracts for values over \$75,000. Any such purchase classified as unauthorized is considered a personal expense and the obligation of the purchaser.

1.8.6. General Rules – All purchases or contracts for services of any kind or description, payment for which is to be made from funds of the City of Ontario, shall be, without exception, in the following manner.

1.8.7. Micro-purchase: (This guideline is only applicable for purchases using federal funding subject to the Uniform Guidance) Purchases where the aggregate dollar amount does not exceed \$3,500 (or \$2,000 if the procurement is construction and subject to Davis-Bacon). When practical, the City should distribute micro-purchases equitably among qualified suppliers. Micro-purchases do not require competitive quotes if management determines that the price is reasonable.

1.8.7.1. \$3,500 to \$10,000 purchases using federal funding subject to the Uniform Guidance will follow the same competitive bidding rules enumerated in number 3 below.

1.8.8. Under \$10,000: Small items in this category, used on a day-to-day basis, may be purchased with the approval of supervisory personnel without competitive bidding on each item. However, even on these items, periodic telephone checks should be made to be certain the purchases are secured from a local source at the lowest cost for the quality needed. Items used on a day-to-day basis consist of office supplies and other items that are routinely purchased. For items under \$10,000 that are not routinely purchased, it is required to obtain three informal bids to ensure that the best price is received.

1.8.8.1. When seeking telephone quotations, it is preferable that the Telephone Quotations Form be utilized and completed in detail (Please reference Section 5). If the recommended bid is not the lowest, a detailed explanation should be provided.

1.8.8.2. Department Heads may authorize employees to purchase budgeted items by requesting a purchasing card for that employee and assigning a dollar limit.

1.8.8.3. Whenever possible, these items should be purchased within the City Limits of Ontario. If this is not possible, purchases should be secured within Malheur County.

1.8.9. \$10,000 - \$100,000.00: Purchases or contracts for services for the sum of \$10,000 to \$100,000.00 shall be secured on competitive bid basis. This must be accomplished by securing at least three written informal bids or through the formal bid process utilizing advertisement and specifications; whichever is most advantageous to the City.

1.8.9.1. When seeking written informal bids, all bids must be tabulated in detail and forwarded to the Department Head and Finance Director. If the recommended bid is not the lowest, a

detailed explanation must accompany the bid's submission to the Department Head and the Finance Director.

1.8.9.2. Bid awards under \$75,000 will be made by the Department Head if it is a budgeted item. If not a budgeted item, bid award shall be made by the City Council at a regularly scheduled Council meeting along with the expenditure authorization by resolution.

1.8.9.3. Bid awards over \$75,000 will be made by the City Council at a regularly scheduled Council meeting.

1.8.9.4. Whenever possible, these items should be purchased within the City Limits of Ontario provided the goods or services comply with bid specifications and are determined to be in the best interest of the City. Preference may be given to local vendors when quality of product is equal or better and the difference in the delivered price is negligible.

1.8.10. \$100,000 – and higher: Any item(s) for services in this category shall be purchased through the formal bid process. Formal bids shall be secured by advertisement. Additionally, a random sample of vendors who qualify, or who have indicated an interest in bidding, shall be forwarded a copy of the specifications, when possible, to insure the best competitive bids for the City.

1.8.10.1. The responsibility for the advertising of formal bids will be that of the Department Head overseeing the purchase. It is required that an advertisement for formal bid is placed in the paper 10 days prior to the bid opening.

1.8.10.2. Award of items in this category will be made by the City Council based on Department Head recommendations if it is an appropriated item. If it is not an appropriated item, bid award shall be made by the City Council at a regularly scheduled Council meeting along with the expenditure authorization by resolution. Award shall typically go to lowest and best bidder unless otherwise specified by State Statute.

1.9.2. Invitations for Bid

1.9.2.1. Bidders List – The Finance Director or responsible Department Head will maintain a list of vendors who wish to bid on goods or services for the city of Ontario. All vendors wishing to provide goods or services to the City may

contact the Finance Director or responsible Department Head with appropriate information for inclusion in future bid processes.

1.9.2.1.1. When the City prepares an invitation to bid, all respective bidders on the list shall be notified in writing and given sufficient time to provide a bid to the City if the vendor intends to do so.

1.9.2.2. Formal Bid Process – All Formal bid purchases or contracts for services shall be advertised and bid procedures shall be as follows:

1.9.2.2.1. All notices and solicitation of bids shall state the time and place of opening. It is required that the request for bid in the newspaper at least 10 days prior to the bid opening. Bid opening dates will follow State statute.

1.9.2.2.2. Notices and solicitations of bids shall include information that these are sealed bids and that they should be so identified (as bids) on the envelope.

1.9.2.2.3. Notices and solicitation of bids shall plainly state to whom the sealed bid(s) should be addressed.

1.9.2.2.4. Performance bond(s), in cash or otherwise, shall be requested if in the best interest of the City in such an amount as may be deemed sufficient to secure the execution of the contract or furnish supplies.

1.9.2.2.5. The City of Ontario, Oregon reserves the right to reject any and all bids and waive any informality. The City of Ontario also reserves the right to select the lowest and/or best bidder as determined by the City in its sole discretion.

1.9.2.3. Correspondence With Vendors – All correspondence with vendors should be communicated through the Department Head responsible for overseeing the specific bid unless the bid specifications make it advisable to delegate the authority to others.

1.9.2.4. Competitive Buying – City policy requires quotes or bids to be obtained from as many providers as possible to insure a competitive marketing atmosphere and advantageous pricing. Bids will be solicited when required by policy and also when it is found to be advantageous to do so. Any qualified provider may respond to a City request for quote or bid.

1.9.2.5. Periodically, the Finance Department will check items purchased by other authorized personnel to verify that the City is obtaining the best prices for the quality of goods purchased. Recommendations will be made as necessary to benefit the City.

1.9.2.6. Maintenance Agreements – If the need for a maintenance agreement is anticipated at the time of purchase, the terms of the agreement must be included in the bid specifications.

1.9.3. Emergency Purchases

1.9.3.1. In Case of an emergency which requires immediate purchase of supplies or services and time is of the essence, the City Manager shall have the authority to authorize such purchase up to \$50,000 or secure such services needed without complying with procedures as set out above. Examples of emergencies requiring emergency purchase include sewer line collapse, water system pump failures, and weather-related damage requiring immediate repair. (Please refer to the No. P.O. Form in Section 5 of this manual.)

1.9.3.2. For purchases over \$50,000, a poll of the City Council should be made prior to the purchase. If a poll of the Council is not possible, a full report of such an emergency purchase shall be made by the City Manager to the City Council no later than the next City Council meeting.

1.9.3.3. An emergency purchase is constituted as an immediate need of a good or service, which was unable to be anticipated, which time is a crucial factor and would be a disservice to the citizens of the community of Ontario if the item were not purchased.

1.9.4. Steps in Purchasing/Procurement

1.9.4.1. The Finance Department has the responsibility to oversee all purchasing activities for all departments at the City. Any employee that has a purchasing card approved by their department head is authorized to purchase goods up to their limit (i.e., \$500). Any purchases over their limit must be made by the Department Head.

1.9.4.2. Price Agreements and Other Centralized Purchasing – Price Agreements are contracts negotiated by the City for goods or services, which we need frequently throughout the year (e.g., fax machines, computers, uniforms, sand and gravel, etc.). It is to the City's advantage for departments to use these agreements to save money and time by not having to go through a bid process

for each purchase. The City does require that departments purchase certain types of goods and services in a more centralized fashion: data processing equipment and services, telecommunications equipment and services, vehicle purchases, printing goods and services, office supplies. These purchases are coordinated with the assistance of Finance. The following steps are involved in the bid process:

1.9.4.2.1. Department head prepares the bid package, sets the bid opening date, prepares the advertisement for call for bids, the bid invitation letter, specifications and list of prospective bidders.

1.9.4.2.2. Department Head holds public bid opening according to State requirements.

1.9.4.2.3. The requesting department prepares a tabulation of bids received, analyzes bids, and returns bid documents with recommendations for bid award to Department Head and Finance Director.

1.9.4.2.4. Finance Director reviews analysis and recommendation and upon approval the Department Head prepares final recommendation for submission to City Council when required by the City's Bid policy.

1.9.4.2.5. City Council ensures that staff has followed the purchasing policies and awards the bid.

1.9.4.2.6. Requesting department obtains purchase order prior to issuing a Notice to Proceed or otherwise obligating the City financially and administers the contract and notifies accounts payable when payment is to be made through standard invoice procedures.

1.9.4.3. Contractor Performance Problems – It is very important that Departments document any performance problems with a particular vendor. Documentation should include written notification to the vendor of a problem, evidence of attempts to resolve the problem and a summary of the final outcome of the situation.

1.9.4.3.1. Please notify the Purchasing Agent when a vendor continues to have performance problems and forward a report documenting the incident. The City Manager can determine if a vendor is classed as irresponsible and can be taken off of our

bidding list for a period of 3 years or until the vendor can prove the problems have been corrected.

1.9.5. Good Financial Standing

1.9.5.1. All business providing services to the City of Ontario should be in good financial standing with regard to any financial obligations within the City.

1.9.5.2. All businesses providing services to the City of Ontario should comply with city ordinances, resolutions and contracts.

1.9.6. Exclusive Service

1.9.5.3. In the event that there is only one firm or company or individual capable of providing a particular service or commodity, referred to as a sole source vendor, and such services or commodities cannot be secured from any other person(s) or company(ies), then the City Council may authorize securing such items without the above bidding process(es) by declaring a sole source vendor. Approval of the City Council must be received **prior** to making the purchase. To receive such authorization, the Department Head must submit with the purchase order, a detailed agenda report explaining why this is the only feasible person/company from which to purchase/contract; and confirmed research must be included in the explanation.

1.9.7. Exemptions from the Public Bidding Process

1.9.7.1 Professional Services – This Purchasing Policy shall not apply to professional services and the requirements shall not be mandatory in the employment of professional services. Professional services include, but are not limited to, the following:

- (A) Attorneys
- (B) Architects
- (C) Artists
- (D) Bond Counsel
- (E) Certified Public Accountants/Auditors
- (F) Consultants
- (G) Engineers
- (H) Financial Advisors
- (I) Physicians
- (J) Real Estate Brokers

1.9.7.2. Design-build Services – This Purchasing Policy shall not apply to design-build specialty services so long as the City Council approves such an exemption through formal action.

1.9 Employee Development

1.9.1. Purpose: The Purpose of this policy is to establish the guidelines for which the City will reimburse employees for training, career education, and approved courses of study (Tuition Assistance). Travel and expense reimbursement procedures are outlined within the Tuition Assistance Policy. This policy is applicable to all City personnel.

1.9.2. Definitions: As addressed by this policy, training is defined as any work-related program, seminar, conference, convention, course or workshop attended by an employee whose tuition and expenses are funded in whole or in part by the City or while the employee is in a paid status with the City.

1.9.3. Statement of Policy – Employees are encouraged to continue their formal education through participation in off-duty/non-work hour educational programs. Reimbursement for educational expenses incurred by such participation may be granted for job related courses with prior approval of the City Manager, provided funds have been budgeted for such reimbursement. Tuition reimbursement will be made only for courses that benefit the employee and the City or go towards a degree that benefits the employee and the City.

1.9.3.1. Any reimbursement shall only be after successful completion of the course/program. Successful completion shall be defined as receipt of a certificate of satisfactory completion, a grade of C (2.0 grade point) or better for undergraduate courses, a grade of B (3.0 grade point) or better for graduate and post-graduate courses, or attainment of pass in a pass/fail grading system. Tuition reimbursement is for the course only; no reimbursement will be allowed for books, lab fees, travel expenses, or material costs. Approval for tuition reimbursement shall only be allowed for courses offered by accredited colleges, universities or vocational training institutes.

1.9.3.2. Reimbursement to an employee for approved course will be limited to \$2,000 per calendar year. Request for reimbursement must be made within 30 days following the completion of the course of study. To receive tuition reimbursement, an employee must complete the “Pre-approval for Tuition Reimbursement” and a “Request for Tuition Reimbursement” forms with required supporting documents. See Section 5.

1.9.3.3. Training reimbursement is generally available to only those employees who have successfully completed the employee’s designated probation period. The City Leadership Team shall review pre-approval requests for tuition reimbursement and either approve or disapprove the request.

1.9.3.4. Consideration of employee requests for tuition reimbursement is dependent upon budgetary constraints and the recommendation of that employee's Department Head. Time spent in attendance at these courses shall be considered the employee's personal time and is not counted as time worked.

1.9.3.5. It is the policy of the City to maximize comprehension, retention and transference of training provided by the City.

1.9.3.6. No person will be denied training because of race, religion or creed, color, political affiliation, physical or mental disability, national origin, sex, veteran status, genetic information, citizenship, marital status, sexual orientation, domestic violence victim status, parent with court-imposed medical support order, or age.

1.9.4 Tuition Assistance Plan

1.9.4.1. The plan shall serve as both an employee incentive and employee retention plan. The course or degree program must be approved prior to enrollment by the Department Head and the City Manager. The employee must be full-time and not on probation other than transfer or promotion. The subject matter of the course of study must be related to the employee's current job or the course must be applicable as credit toward an approved certificate or degree requirement in a related field.

1.9.4.2. Prior to budget preparation, the employee is responsible for notifying his/her Department head of his/her intent to participate in this program.

1.9.4.3. Employee training history will be maintained as part of the personnel files.

1.9.5. Reimbursement

1.9.5.1. Upon completion of the approved course, receipt of tuition payment, and grade verification, the City will reimburse as follows until funds are exhausted.

1.9.5.2. Reimbursement for courses (limited to 2 annually) taken at an accredited college, university, or vocational training institute shall be as follows.

Grade	Undergraduate	Graduate/Post-Graduate
A	80% of tuition only	80% of tuition only
B	70% of tuition only	60% of tuition only

C	60% of tuition only	0% of tuition only
D or lower	0% of tuition only	0% of tuition only

1.9.5.3. Pre-Approval for Tuition Reimbursement Forms must be submitted and approved by the Department Head, Leadership Team, and City Manager prior to the beginning of the course. Upon completion the employee shall submit the Request for Tuition Reimbursement Form. It is upon completion and proof of grade submission for a course that reimbursement shall occur.

1.9.5.4. Conferences/Seminars will be arranged and approved by following the process and procedures as outlined on the **Travel Voucher Form**. The Travel Voucher Form must be completed and approved by the Department Head, or City Manager prior to attending. Upon return and within 7 working days a reconciliation of the **Travel Voucher Form must** be completed and submitted for approval and processing.

1.9.5.5. As a general rule, attendance at conferences/seminars out of state shall be limited to one annually. The following exceptions may apply upon the approval of the City Manager.

1.9.5.5.1. Travel will be by automobile rather than air (cost of airline ticket or mileage is reimbursed, whichever is less)

1.9.5.5.2. Attendance is required as part of a job-related certification program

1.9.5.5.3. A specific benefit would be derived by attending such as:

1.9.5.5.3.1. Legislative updates

1.9.5.5.3.2. New technology

1.9.5.5.3.3. Improve a job-related skill

1.9.5.6. Department Heads should identify conference/seminar costs during the budget preparation and stay within the budgeted amounts. Conferences which are job required are reimbursed at 100%.

1.9.6. Tuition Appropriation – The City Council will establish the amount of funding to be allocated for tuition reimbursement on a citywide basis. The City Manager will allocate those funds between the various departments. The funds may not be appropriated/transferred into other accounts. Mid-year budget review will

monitor the use or intended use of remaining funds and the City Manager may authorize transfers into other departments, when appropriate.

1.10 Travel and Expense

1.10.1. Purpose: The purpose of this policy is to establish the guidelines for officials and employees of the City of Ontario while traveling on “Official Business.” This policy is applicable to all City officers and personnel.

1.10.2. The primary responsibility for the authentication of the travel and all expenses incurred on individual expense accounts rests with Department Heads and the City Manager.

1.10.2.1. Definitions

1.10.2.1.1. For the purpose of this policy, the following shall apply:

1.10.2.1.2. Approved City credit cards shall be those cards issued and approved through the City Manager as valid for the purpose of billing the City.

1.10.2.1.3. Travel authorization and reimbursement forms are those approved by the City Manager, and Finance Department.

1.10.2.1.4. Residence shall be the place in which the individual has an abode or dwelling place.

1.10.3. Reimbursable Travel Expenses

1.10.3.1. Reimbursable travel expenses are limited to those expenses authorized and essential to the transaction of official business of the City. Expenses incurred for the sole benefit of the City employee or official, such as any type of insurance, travel loan finance charges, personal credit card fees or dues, alcoholic beverages, extra meals, that portion of meal totals in excess of the per diem allowance, tips in excess of the 20% City established maximum, magazines and other like charges are prohibited from being paid for using a City credit card and shall not be reimbursed as travel expenses.

1.10.3.2. Expenses for laundry service and dry cleaning shall not be considered a business expense. Incidental accounts not directly concerned with travel (such as postage, small emergency supplies, etc.) may be allowed when necessary to the performance of official business while traveling. These necessary incidental expenses shall be itemized on the Travel Voucher with receipts attached.

1.10.3.3. Reimbursements for items other than per diem paid for meals and incidentals will not be made without a valid receipt.

1.10.4. Reimbursement When Leaving and Returning the Same Day

1.10.4.1. Officials and employees will be allowed travel expenses when required to travel away from their official domicile on City business and returning the same day under the following situation. When early departure or late arrival of approved travel was required to conduct City business, then the City will reimburse for meals and mileage for official use of a private motor vehicle. The description of the travel must be indicated on the purchase order along with applicable supporting documentation. Reimbursements will be calculated using established per diem rates. A city vehicle must be used if available. If an employee chooses not to use a city car when one is available, they will be allowed the IRS mileage rate for medical purposes.

1.10.5. Items Invoiced to the City – Items which are properly purchased and invoiced directly to the City of Ontario will not be included on an expense account and are not reimbursable under this policy.

1.10.6. Prudent Person Rule – Employees and officials are expected to exercise the same care in incurring expenses, as a prudent person would exercise if traveling on personal business.

1.10.7. Alcoholic Beverages – City Officials and employees shall not incur expenses for the purchase of alcoholic beverages for reimbursement as a travel expense or payment directly by the City through use of a City credit card or any other means of purchasing.

1.10.8. Meals

1.10.8.1. If a credit card is unavailable, reimbursement for meals will be on a per diem basis according to the Federal Per Diem Rates at www.gsa.gov. If meals are included in the conference fee they are excluded from reimbursement. Any expenses in excess of the daily amount established by the Federal Per Diem Rate based upon the location of travel must be approved by the Department Head and the City Manager. In cases where the employee exceeds the per diem amount with a City credit card, the employee will be issued a warning and notified of the amount of reimbursement required and they will be required to issue a check for the amount payable to Visa.

1.10.8.2. Meals that are part of an approved seminar, training session, or organization meeting held in the area will be reimbursed for the actual amount

with receipts required. The reimbursement of meals will be at actual cost when receipts accompany the Expense Reimbursement Requests/Verification Form.

1.10.9. Airfare, Bus, Rail Transportation, Private or City-Owned Vehicles & Rentals

1.10.9.1. Travel may be accomplished by plane, train, bus, private or City-owned vehicles, rented car, or taxi, whichever method serves the requirements of the City most economically and advantageously. When an airport is within seventy (70) miles of the employee's official domicile or residence, and transportation to and from the airport is provided by a family member or friend, the employee may be reimbursed for automobile mileage for up to two (2) round trips. The routing of each trip for mileage computation shall be by the most common traveled route unless unusual circumstances warrant other less direct routes. Reimbursements for mileage shall be calculated from the shorter of either the distance from the employees home or City Hall. Individuals on City business shall use competitive pricing for airfare, bus or rail transportation, and rentals.

1.10.9.2. Air travel should be paid directly by the City and not charged on a personal credit card. This practice should be followed to avoid financial gain by the employee through use of their position relative to frequent flier miles or other incentives offered by an employee's personal credit card.

1.10.10. Automobile Rental – Rental cars can only be used when taxis, buses or limousine services are impractical or for emergency transportation. The reason for using rental cars should accompany expense forms. Receipt is required. The City can make reservations and some discounts are available.

1.10.11. Privately-Owned Automobile Mileage Reimbursement

1.10.11.1. For travel in privately owned automobiles, mileage allowance shall be at a rate equal to the IRS standard expense allowance for mileage reimbursement when a city vehicle is not available for use. If an employee chooses not to use a city car when one is available, they will be allowed the IRS mileage rate for medical purposes.

1.10.11.2. Mileage figures listed on the Travel Voucher should be rounded to the nearest whole mile. Other expenses such as toll charges for bridge and turnpike use and parking charges will be allowed. When more than one (1) person travels in the same automobile, only the owner of the vehicle shall be allowed mileage. Mileage reports must include information for when, where and what type City business was discussed.

1.10.11.3. Under no circumstances will an employee be allowed to purchase gasoline using the City's tax-exempt fuel account and place it in a private vehicle. This activity is considered a misuse of public funds.

1.10.12. Travel in City-Owned Automobiles

1.10.12.1. Expenses for gasoline, oil, storage, washing, greasing and other necessary services will be allowable as long as proper receipts are attached to the expense form and City purchasing cards are used. In the event an employee is required to incur an expense for authorized travel in a City-owned vehicle, the City shall reimburse that employee for 100% of the costs shown on the receipts submitted for reimbursement upon authorization by the respective Department Head.

1.10.12.2. No official or employee shall be allowed hotel expenses while in the City of his/her official domicile.

1.10.13. Travel Voucher Form – The Travel Voucher Form is used for travel pre-approval and in situations where an official or employee travels for city business. If a reimbursement of expenses is requested, the official or employee will submit the Travel Voucher and attach copies of all receipts for the period of travel within seven (7) days. If expenses are paid using a city credit card, a travel voucher form along with the receipts should be included with the credit card statement.

1.10.14. Travel Advancement – The City will pay in advance the following costs: Please note: A travel packet including the Travel Voucher form, the meeting/conference program/itinerary, and a purchase order for the advanced costs listed below must be submitted to the Accounts Payable Department no later than 14 days prior to the event.

1.10.14.1. Conference/Training Registration fees – Such payment will be made by city credit card or mailed directly to the organization, to take advantage of early registration discounts. This will be done through a purchase order attached to the Travel Voucher Form. A copy of the registration form describing the specific event must be attached to the purchase order.

1.10.14.2. Airfare – Airfare is normally reserved on-line through the internet and paid with a City credit card after travel approval has been received.

1.10.14.3. Lodging – Officials and employees are to stay in moderately priced (see item 5) establishments. Lodging reservations can be held with the use of a

City Credit Card. (See City Credit Card Policy). Upon receipt of an approved travel voucher form and supporting documents, a pre-authorization for a city credit card fwill be completed ahead of time. This pre-authorization form would allow use of a city credit card and the city official or employee would need to adhere to the City Credit Card Policy (See section 1.13). The lodging receipt is required to be kept and will be turned in with the travel voucher.

1.10.14.4. Meal allowance - An advance for the M&IE Allowance, which includes both meals and incidental expenses, will be permitted for meals not provided by the conference or training as indicated in section 1.10.3. above. A conference agenda shall be submitted with the advance travel reimbursement request showing what meals are provided and what meals are not. Only per diem rates as prescribed by the Federal Government for official travel will be provided for M&IE Allowance. Per diem rates by location are found at www.gsa.gov.

1.10.15. Reimbursement for Non-Employee Expenses

1.10.15.1. City employees and officials may be reimbursed for travel expenses incurred for other employees or non-employees provided the specific business reason necessary for doing so is indicated along with the names of those involved. This is intended to be used for those common types of travel situations where it is normal and practical for one (1) individual to pay for an expense rather than be divided among all individuals. Examples may be a restaurant bill or hotel charge for which a room was shared.

1.10.15.2. Reimbursement for spouse expenses at an official business function requires a written justification pre-approved by the City Manager. This reimbursement is limited to elected officials and department directors or those designated to represent them and must be for legitimate business reason where attendance of the spouse is required to represent the City. City employees and officials may be reimbursed for expenses incurred by their spouses or other members of their families only as provided for concerning transportation to and from the airport and representing the City at an official business function. The employee shall pay the difference of any costs between the amount for the employee's attendance and the amount for family to attend (e.g. such as an upgrade to a larger room or suite to accommodate more guests). The City shall reimburse or pay for the cost of a single occupancy room rate.

1.10.16. Telephone – Telephone, cellular service expenses shall be allowed only when necessary for the transaction of official business. Copies of billing statements must be attached to the Expense Reimbursement Request/Verification Form.

1.10.17. **Association Officer Expenses** – Occasionally, members of associations are invited to serve in an official capacity in the association. This type of undertaking requires the expenditure of time and money, but often the membership will reflect favorably on the City. The City encourages this practice by reimbursing them for reasonable expenses incurred for travel, lodging, and meals as set forth herein. At the same time, the City employee has the opportunity to gain peer recognition and, thus to enhance his or her development.

1.10.18. **Out of State Travel** – All out of state travel, with the exception of Idaho, must be approved by the City Manager. All other rules apply.

1.10.19. **Unusual Travel Expense**

1.10.19.1. The City Manager may approve unusual travel expenses not covered by this policy or modify procedures for the payment of travel expenses. The need for reimbursement of unusual travel expenses shall be made in writing to the City Manager with a copy to the Accounts Payable Clerk.

1.10.19.2. The City will not reimburse for items purchased as souvenirs (i.e. pens, pencils, shirts, ball caps, and mugs).

1.11 Telephone and Cellular Phone

1.11.1. Purpose: The purpose of this policy is to establish usage guidelines for telephone calls made within City Hall, from cellular phones provided to employees to conduct City business, and 800 number calls billed to the City. This policy is applicable to all City of Ontario employees, the Mayor and City Council.

1.11.2. Call Placement

1.11.2.1. City employees and officials should limit long-distance calls to those associated with performance of duties associated with their position.

1.11.2.2. Personal telephone calls should be minimal and should not interrupt business with customers. In the event an employee has an emergency need to utilize a City cell phone to make personal calls that result in additional charges to the City, their immediate supervisor must be notified and the City shall be reimbursed for all personal telephone tolls incurred.

1.11.3. Cellular Phone Usage

1.11.3.1. Cellular phone billings are set up with a basic monthly fee. The equipment is provided to the employee for job-related duties and should be primarily limited to job-related telephone calls. A de minimus use of a city cell phone to contact family when travelling out of town is allowed.

1.11.3.2. Vendor cell phone bills will list each individual call .

1.11.3.3. In any situation in which abuse is found, disciplinary action may be taken as prescribed in the Employee Manual and cellular phone privileges may be revoked by the Department Head or City Manager.

1.12 Moving Expenses

1.12.1. Purpose: The purpose of this policy is to establish the guidelines for payment of moving expenses. This policy is applicable to all City Executive Staff.

1.12.2. Situation - The City of Ontario hires individuals for Management vacancies based upon qualifications, not geographic location. It is possible the new employee will be required to relocate to the area in order to perform his/her duties. This move will directly benefit the City and, as such, the City should incur the cost. The City may reimburse a new management employee, with the approval of the City Manager, up to \$2,500 of valid moving costs on a reimbursement basis. The City Council at its discretion may choose to reimburse higher moving expenses.

1.12.3. Early Separation following Moving Expense Reimbursement – If an employee chooses to separate service from the City prior to one year of service, the employee will reimburse the City 75% of said payment for moving expenses reimbursed, which amount may be deducted from the employee's final pay check.

1.13 City Issued Credit Cards

1.13.1. Purpose: The purpose of the credit card is principally to facilitate the acquisition of goods and services for the City where the vendor requires such use. Credit card purchases are intended to be small in scope, of a “non-capital” nature and are intended to complement existing purchasing processes. The card is not to circumvent the internal control procedures or to replace the Purchase Order (PO) process. The card is only used when a purchase order cannot be used or when there is a savings to the City. A purchase order must be generated for the credit card purchase along with the proper approvals. *CARDHOLDERS MUST COMPLY WITH ALL CITY PURCHASING POLICIES AND PROCEDURES.* All purchasing of budgeted capital items must have the proper approval of the appropriate Department Director or City Manager.

1.13.2. Cardholder Limits

1.13.2.1. Only City employees may be Cardholders in accordance with this policy.

1.13.2.2. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle has been provided to each Cardholder. The employee is responsible for the overage if the limit is exceeded.

1.13.3. Use of Credit Card

1.13.3.1 The credit card is to be used for authorized City purchases only.

1.13.3.2. No person other than the Cardholder is authorized to use the card unless prior written authorization is obtained from the Department Head.

1.13.3.3. Questions regarding credit card accounts and procedures should be directed to the Finance Director.

1.13.3.4. The credit card may be used at any business establishment, which accepts credit cards for payment.

1.13.3.5. Cardholder should exhaust all other methods of procurement before using the credit card (i.e., purchase orders or invoicing).

1.13.3.6. The Cardholder must be able to justify that the use of the credit card was necessary and was for an official city business purpose.

1.13.3.7. Cardholder shall take all necessary precautions to keep the card and card number in secure location.

1.13.3.8. Cardholder's department is responsible for all charges incurred on the credit card including any annual service fees and finance charges.

1.13.3.9. Copies of all necessary forms are enclosed within this section of the Financial Operations Guide.

1.13.4. Telephone, Internet, and Facsimile Orders

1.13.4.1. When placing a telephone/Internet/facsimile order, confirm that the vendor agrees to charge the card when shipment is made and not sooner. The receipt charge date should coincide with the shipping date.

1.13.4.2. All telephone/Internet/facsimile orders must be recorded on the "Record of Credit Card Use" form when the transaction occurs.

1.13.4.3. Request that the vendor send, via facsimile or e-mail, a copy of the invoice marked "Paid by credit card". The original invoice is still necessary by the Finance Department for reconciliation purposes.

1.13.4.4. Backorders are not allowed without approval by the City Manager.

1.13.5. Documentation

1.13.5.1. Documentation must be retained as a proof of purchase any time a purchase is made using the card. These documents are to be used to verify the purchases on the Monthly Statement of Account.

1.13.5.2. All purchases are to be recorded on "Record of Credit Card Use" form. This form must be maintained as charges occur.

1.13.5.3. If, for any reason, the Cardholder does not have documentation for a transaction, the Cardholder must attach a "Statement of Missing Documentation" form, which provides a description of the item, vendor's name, reason for missing documentation, and the action that will be taken to insure proper documentation in the future. In addition, the Cardholder and the City Manager's signature are required on the form.

1.13.5.4. If receipts are related to travel, it is the Cardholder's responsibility to photocopy the receipts to attach to their "Travel Requisition" form. The original must be forwarded to the Finance Department for reconciliation with Monthly Statement of Account.

1.13.6. Card Restrictions

1.13.6.1. The following uses of a Credit Card are prohibited:

- 1.13.6.1.1. Cash advances.
- 1.13.6.1.2. Personal purchases. A Cardholder may not charge any personal items on the City credit card.
- 1.13.6.1.3. Gasoline purchases or vehicle repairs unless outside the service area and/or in an emergency. Documentation will be required.
- 1.13.6.1.4. Alcoholic beverage purchases.
- 1.13.6.2. Per Diem. Per Diem requests shall be processed through Accounts Payable prior to travel.
- 1.13.6.3. Cardholders shall also comply with any applicable departmental restrictions on usage.
- 1.13.6.4. A Cardholder may not violate any established procurement requirements, where it pertains to obtaining quotes, when using the City credit card.

1.13.7. Reconciliation and Payment

- 1.13.7.1. At the close of each billing cycle (month), a copy of your "Record of Credit Card Use" form is due to the Finance Department on the 15th of each month.
- 1.13.7.2. Attach any additional documentation necessary, complete all forms fully and assure that all necessary signatures have been obtained.
- 1.13.7.3. This form will be reconciled with both the receipts and the "Monthly Statement of Account" by the Finance Department .
- 1.13.7.4. If unable to submit the required documentation by the due date, please contact the Finance Department as soon as possible.
- 1.13.7.5. Payment will be made promptly and before the due date to avoid any service or finance charges.
- 1.13.7.6. Any department not responding promptly to the request for information from the Finance Department or in any way delaying the timely monthly payment of the credit card account will be assessed the finance charges imposed by the issuing financial institution.

1.13.8. Lost or Stolen Cards – Should any Cardholder lose, suspect of having lost, or have their credit card stolen, it is their responsibility to immediately notify the Card Issuer and the Finance Department of the loss. The following steps must be taken to report the loss:

1.13.8.1. Report the loss immediately to the Credit Card Issuer. They can be reached 24 hours a day, seven day a week.

1.13.8.2. Notify the Finance Department immediately upon discovering that the card is missing.

1.13.9. Termination / Resigning Employees

1.13.9.1. All efforts will be made by the Finance Department to obtain the credit card, any receipts, "Record of Credit Card Use" forms and other related forms when a Cardholder employee is terminated or resigns.

1.13.9.2. If the credit card cannot be collected, the Department Head or City Manager, as may be appropriate, will immediately insure the card is canceled.

1.13.10. Policy Violations – Failure to follow this policy may result in loss of Cardholder privileges and may result in disciplinary action, including termination of employment as well as civil and/or criminal charges.

Please reference the Credit Card Usage Authorization Form in Section 5 of this manual.

1.14 Credit Collections

1.14.1. Purpose: The purpose of this policy is to outline the applicable fees for checks returned from the bank on accounts with insufficient funds. This policy applies to Cash Collections by City of Ontario.

1.14.2. When the City receives a check for goods or services, it is deposited into the City's bank account. Upon a check being returned from the bank due to insufficient funds, the party will be notified and informed to pay their balance and applicable fee(s). The following fee schedule will be followed:

1.14.2.1. \$10.00 – Party notified City of returned check prior to bank notifying City and paid balance due with cash, cashier's check or money order

1.14.2.2. \$25.00 – Party notified, failed to pay balance due timely. In the case of utility accounts, the returned check payment will be reversed and the fee charged directly to the customer's account. When the returned check is determined to be other than a utility payment, the department for which the check payment was posted will be notified, the payment reversed, and an invoice will be generated and submitted to the customer. Unpaid invoices will be turned over for collection after 30 days.

1.14.3. If the check in question concerns a service in process, it is the responsibility of the department to stop City services until the debt plus any required fees have been paid.



Section 2 – Financial Management and Internal Controls

Introduction

This section has been developed to provide City staff involved with department financial systems and/or budget preparation with a conceptual framework of some of the basic concepts and processes that is involved with financial management and control. This section is intended to give a brief description of the “universe” in which the budget process “lives”.

2.1 Fund Accounting Theory

2.1.1. Purpose: This section explains the basic concept of fund accounting. It also describes the six types of funds that exist in Ontario City government.

2.1.2. Fund Accounting

2.1.2.1. Unlike most private enterprises, the City provides many services which, were they not provided by a government agency, would be considered monopolistic. Therefore, many of the free market economic controls, such as price, no longer ensure that services are provided in the most effective and efficient manner possible. Also, unlike most private enterprises, governments have the ability to raise revenues through taxes rather than through the exchange of goods or services. Taxes are not usually applied strictly on the basis of the services received in exchange.

2.1.2.2. These two basic differences between private enterprise and governments have led citizens (taxpayers) and other groups with particular interests in government to see “non-market-place” means of controlling the expenditures of government. Legal and political constraints have been instituted which require governments to expend monies in certain restricted ways. Certain resources, such as some Federal grants, are legally available only if they are used for specific programs, e.g., the Community Development Block Grant program. The City is required to refund these resources if they have not been used within the specific conditions established by law or the grant agreement.

2.1.2.3. In order to account for these resources and the related expenditures, an accounting theory based on a measurement unit called a fund was developed. Instead of putting all the City’s resources together in one set of accounts and then trying to figure out what was related to what, the City’s resources are accounted for in separate sub-entities called funds.

2.1.2.4. Each fund is a self-balancing set of accounts, which records all the activity concerning the assets, liabilities, equity, revenues, and expenditures needed to carry on a specific activity. The separation of the City’s activities into funds allows the City to maintain the appropriate (required) controls over expenditures for each activity and to report on specific activities to interested citizens.

2.2 Fund Types:

2.2.1. Purpose: All funds are classified into six (6) fund types. These fund types, and the purpose of each:

2.2.2. General Fund – To account for the administrative, police and fire protection, cemetery, parks, recreation, facilities, community development and technology functions of the City. Principal sources of revenue consist of property taxes, franchise and occupancy taxes, licenses and permits, grants, interest earnings, and operating transfers from other funds. Major expenditures are for personal services, materials and supplies, capital outlay and transfers to other funds.

2.2.3. Special Revenue Funds – To account for the proceeds of specific revenue sources that are legally restricted to expenditures with specified purposes. The City has multiple special revenue funds.

2.2.4. Capital Projects Fund – To account for resources designated to acquire and construct capital facilities primarily related to infrastructure, except for minor acquisitions financed from regular operating funds.

2.2.5. Debt Service Fund – To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

2.2.6. Enterprise Funds – To account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user determination of revenues earned, expenses incurred, and/or net income as appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2.2.7. Fiduciary Funds – To account for resources received and held by the City in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust or other agreements or conditions of the trust for the particular source of funds.

2.3 Chart of Accounts

2.3.1. Purpose: This section explains a fundamental component of the City's financial system, the Chart of Accounts.

2.3.2. Definition – To make it possible to summarize financial information to the General Ledger, a coding system has been developed that identifies all of the City's financial activity.

2.3.3. The coding system establishes a General Ledger account number, which may be up to 12 digits long. This coding system and the resulting numeric combinations are referred to as the City's Chart of Accounts

2.3.4. Account Code Structure – In General ledger terminology, the 12-digit account code is called the Accounting Control Key, or **ACK** for short. The ACK is broken up into 3 parts, called Segments. An example of an ACK showing the 3 individual segments:

001-004-614900 General Fund (001) – Administrative Overhead
Department (004) – Office Supplies (614900)

2.3.5. Each Segment of the ACK has been assigned a name, number, length, and value range, as illustrated on the following chart.

Segment Name	Length	Segment Value
Fund	3-characters	001-125
Department	3-characters	002-170
Account	6-characters	100050-899000

2.3.6. The following describes the significance of the individual ACK segments.

2.3.6.1. Fund – All financial activity in the City must be recorded in a Fund (FFF xxx xxxxxx). The City maintains approximately twenty (20) self-balancing funds on either a modified accrual or full accrual basis of accounting, depending on whether the fund is a Governmental, Proprietary, or Fiduciary.

2.3.6.1.1. Examples of Governmental fund types are:

- 2.3.6.1.1.1 General Funds
- 2.3.6.1.1.2 Special Revenue Funds
- 2.3.6.1.1.3 Debt Service Funds
- 2.3.6.1.1.4 Capital Projects Funds

2.3.6.2. Examples of Proprietary fund types are:

2.3.6.2.1. Enterprise Funds

2.3.6.3. Examples of Fiduciary fund types are:

2.3.6.3.1. Agency Funds

2.3.7. Fund codes are created by the Finance Director.

2.3.7.1. **Department** – The Segment of the ACK that represents the department/division that has budget responsibility for an expenditure (xxx **DDD** xxxxxx). Balance Sheet accounts and revenues use 000. Department codes are created by the Finance Director.

2.3.8. **Account** – All financial activity in the City must be recorded to an Account Code (xxx xxx **AAAAAA**). The first digit of the account identifies the account group:

2.3.8.1. 1xxxxx Series Asset and Deferred Outflow Accounts

2.3.8.2. 2xxxxx Series Liability and Deferred Inflow Accounts

2.3.8.3. 3xxxxx Series Fund Balance (Equity/Retained Earnings)
Accounts

2.3.8.4. 4xxxxx Series Revenue Accounts

2.3.8.5. 5xxxxx Payroll Related Expenditure Accounts

2.3.8.6. 6xxxxx Material/Supply Expenditure Accounts

2.3.8.7. 7xxxxx Capital Outlay Expenditure Accounts

2.3.8.8. 800000-819999 Debt Service Expenditure Accounts

2.3.8.9. 822000-849999 Transfer Expenditure Accounts

2.3.8.10. 870000-879999 Operating Contingency Accounts

2.3.8.11. 9xxxxx Unappropriated Ending Balance

2.3.9 Account coding is created by the Finance Director.

2.4 Basis of Accounting/Budget Reporting

2.4.1. Purpose: This section describes two financial concepts that drive the way in which the City's finances are maintained and reported: "Basis of Accounting" and "Budget vs. GAAP Reporting".

2.4.2. Basis of Accounting – Cash vs. Accrual: The term "basis of accounting" refers to when revenues, expenses, expenditures - and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made. The following are the bases of accounting used by the City:

2.4.2.1. Cash Basis – Transactions are recognized only when cash is received or disbursed.

2.4.2.2. Accrual Basis – Transactions are recognized when the economic event occurs, regardless of whether or not cash is received or paid.

2.4.2.3. Modified Accrual Basis – Expenditure transactions are recognized when incurred. Revenues are recognized when they are both measurable and available to finance the expenditures of the current period.

2.4.3. Governmental funds, including general, special revenue, debt service, and capital projects, use the modified accrual basis of accounting. For a revenue to be recognized in a governmental fund, it must be "measurable" (the amount must be known or be reasonably estimated), and it must be "available" to finance the expenditures of the same fiscal period for which the revenue is recorded. "Available," in this case, means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. For purposes of consistency, that time-frame shall be sixty (60) days which was set for property tax revenues and within a year for grants and other revenues.

2.4.4. Proprietary funds, which encompass the enterprise funds, use the accrual basis of accounting. These funds have an income measurement/capital maintenance focus. The accrual basis of accounting is used by private enterprises as well.

2.4.5. Financial Reporting - The city implements Governmental Accounting Standards Board (GASB) Statements as required.

2.5 General Ledger

2.5.1. Purpose – This section describes the City’s General Ledger system and the ways in which a City employee can access information contained in this system

2.5.1.1. The General ledger accounts for the financial activity of the City by fund and department. All entry and posting generated through cash receipts system, accounts receivable, payroll and accounts payable during any given month is recorded in the general ledger transaction file. Any adjustments that need to be made to the general ledger, i.e. interest earned, reclassifications, and other miscellaneous items are done through manual journal entries. At the end of the month a tentative financial statement is printed and reviewed for any adjustments that are needed before final closing. Each department head is given a copy of the financial statement pertaining to his/her department in order to monitor the financial activity and budget of that department.

2.5.1.2. After the annual audit is completed and all adjusting entries are entered and posted, then the fiscal year is closed. Documentation will be retained according to record retention regulations.

2.5.1.3. Accessing the General Ledger System – Authorized employees may access account activity electronically. The finance department may be contacted for assistance or additional information.

2.6 Appropriation and Appropriation Control

2.6.1. Purpose: This section defines the legal and administrative appropriation control, outlines the legal authority to expend City resources, and describes the types of adjustments and processes required to formulate these adjustments.

2.6.2. Budget Resolution – The basic and initial authority to expend funds is the Budget Resolution passed by the City Council. This Budget Resolution was based on Budget Committee recommendations following submissions from the Finance Director and City Manager.

2.6.2.1. The Budget Resolution sets out the budget for the ensuing fiscal year by fund and department. Department heads, in conjunction with the Finance Director, are responsible for their individual appropriations. The Finance Director facilitates Special Revenue Funds, Capital Improvement Funds, the Debt Service Fund, Agency Funds and Other Financing Sources and Uses.

2.6.3. Legal Appropriation Control – The Budget Resolution for the current fiscal year is at the fund/department level. For example, within the General Fund budget there are specific appropriations for each department. The amount appropriated to a specific department's line items may change as a result of subsequent resolutions or ordinances (amended budgets). The current appropriation as adjusted by resolution or ordinance will appear on the Monthly Revenue and Expense Reports. Department spending must be held within the legally appropriated amount within each fund.

2.6.4. Appropriation Transfer Policy

2.6.4.1. Request for Appropriation Transfer – All appropriation transfers for the operating and capital budgets must be requested through the finance director.

2.6.4.2. The finance director then will prepare a budget resolution for City Council approval. The resolution will be approved by the city manager and city recorder prior to submission to council.

2.6.5. Adjustments to Budget After Approval

2.6.5.1. Budget Resolution– A Budget Resolution to amend the budget is required to process an increase or decrease to an appropriation or to recognize unanticipated revenue. Typical Amended Budget items include:

Financial Policies

- 2.6.5.1.1. Unanticipated grants received for specific programs or services;
- 2.6.5.1.2. Transfer of existing appropriations from operating to capital projects;
- 2.6.5.1.3. Beginning Working Capital and other adjustments from the previous fiscal year as a result of the previous year's audit;
- 2.6.5.1.4. Unanticipated increases in appropriations or revenues to a fund.
- 2.6.5.2. Approval Process
 - 2.6.5.2.1. Departments must submit a budget amendment request to the Finance Director prior to a designated deadline. The review process will begin one week prior to the report deadline set by the City Recorder.
 - 2.6.5.2.2. All requests will be reviewed by the City Manager and Finance Director prior to submittal to the City Council.
 - 2.6.5.2.3. In the event the amount of the proposed change requires that a Supplemental Budget be adopted, the Finance Director will ensure that all State regulations are followed. Supplemental Budgets exceeding 10% of the fund balance will require advertising a public hearing before adoption by the City Council.
 - 2.6.5.2.4. All Budget Resolution items are reviewed and approved by the City Council.
 - 2.6.5.2.5. Appropriation amendments are reflected on revenue and expense reports for the month in which the City Council approved the action.

2.7 Appropriation (General Ledger) Reports

2.7.1. Purpose: This section outlines the reporting mechanism for monitoring the fiscal status of the approved budget.

2.7.2. Financial Statement – After the month ends, a Financial Statement is generated which summarizes each revenue and expenditure account detailing budgeted amount, total collected or spent for the month and year-to-date, current year encumbrances and the percentage of total to budgeted dollars. Each department/division head receives a Financial Statement for that department's activity, which serves as a tool for monitoring the department's budget. The City Council, City Manager, and Finance Director also review the monthly Financial Statement for unusual activity. At any time during the month, an up-to-date Financial Statement may be generated upon request.

2.8 Financial Monitoring System

- 2.8.1. Purpose:** This section outlines the general financial monitoring responsibilities of principal City entities involved in the management and use of the City's resources.
- 2.8.2. City Manager** - The City Manager is ultimately responsible for the implementation and management of the budget and for the proper use and preservation/protection of the City's assets.
- 2.8.3. Finance Department, Finance Director** - The Finance Director is charged with the primary responsibility for monitoring the fiscal and program implementation of the approved budget. The Finance Director will report monthly to the City Manager on various aspects of budget implementation and management. In addition, the Finance Department will work closely with other departments to apprise them of their financial status and of any potential issues that may affect their budgets. The Finance Department may review fiscal issues affecting any part of the City organization. This activity supports the monitoring role and focuses on the protection of City assets and the legal, efficient, and effective use of City resources.
- 2.8.4. Departments** - Departments are responsible for monitoring and managing their resources to ensure that the legal and administrative appropriation to the department is not overspent and that all expenditures and uses of City resources are in conformity with City, State, and Federal ordinances, statutes, policies, and regulations.
- 2.8.5. Legal Appropriation** – Each department is responsible for ensuring that expenditures do not exceed the legal appropriation level for their department within each fund. The legal appropriation level for operating requirements is at the fund/department level. The legal appropriation for capital requirements is at the fund level. Each department is responsible for ensuring that expenditures do not exceed their department's portion of capital appropriation within the fund.
- 2.8.6. Revenues** - Departments are responsible for monitoring revenues that are collected as a result of programs administered by their departments. If a significant change in the estimate for the current or future fiscal years results, the department must contact the Finance Director to advise of the change.

2.9 Grant Management System

2.9.1. Purpose: This section provides direction to departments for using City financial systems for effective grant management.

2.9.2. Preliminary Internal Review

2.9.2.1. Application for a new grant includes a preliminary review by the Finance Director and City Manager. The initiating department will request and coordinate input by submitting a memo to the City Manager and Finance Director specifying the following:

- 2.9.2.1.1. The granting agency and catalog of Federal Domestic Assistance identifying number;
- 2.9.2.1.2. The amount and purpose of the grant;
- 2.9.2.1.3. The amount of City match required, including any related City expenses which would not be covered by the grant;
- 2.9.2.1.4. The funding source for TOTAL City share (both the match and the ineligible expenses);
- 2.9.2.1.5. Indication of whether the funding source is from the department's exiting appropriation or whether a supplemental appropriation will be necessary;
- 2.9.2.1.6. The Fiscal year in which the grant is anticipated to be received;
- 2.9.2.1.7. Any insurance risks or requirements to be considered;
- 2.9.2.1.8. An estimate of the total program/project cost, including any ongoing impact on operations; and
- 2.9.2.1.9. Any other government agencies involved in the grant.

2.9.2.2. The information will be reviewed and concerns or questions will be communicated to the initiating department within five working days. If the decision is favorable, the department may proceed with the grant application. The information submitted will become a permanent part of the grant file. If the Finance Director identifies issues, the department may be asked for more information to support the request.

2.9.3. Acceptance Process

2.9.3.1. Upon notice of grant award, the grantee department submits the contract to the City Manager's Office for signature and Council action based on the dollar amount (if required). The Department Head shall not be authorized to enter into grant contracts on the City's behalf.

2.9.3.2. If Council action is required, the grantee department prepares a grant resolution and submits it and the contract to the City Manager's office.

2.9.3.3. Grantee department sends copies to interested parties and all original documentation to Finance.

2.9.4. Budget Process

2.9.4.1. Request new grant, activity and revenue codes from Finance. These codes will be used to track grant revenues, expenditures, and City match.

2.9.4.2. There are two options for budgeting grants:

2.9.4.2.1. Budget only the amount of the grant and match expected to be spent in the current fiscal year, or

2.9.4.2.2. Budget and encumber the entire amount of the grant and the match, regardless of the amount you intend to spend during the current year. At the end of the fiscal year, the actual expenditure will be reconciled with the budgeted amount. Any remaining encumbrance will be carried forward to the new fiscal year.

2.9.5. Record Management Process – A complete set of records will be maintained in accordance with the Records Retention Policy of the City of Ontario and all applicable state and federal laws.

2.9.6. Purchasing Process – Within the City of Ontario, the Finance Department has been given authority and responsibility for purchasing activity oversight. Detailed policy guidance is provided in Section 1.8. The key provisions for ensuring compliance with Federal and State grant requirements are summarized below:

2.9.6.1. Make maximum, most economical use of available resources.

2.9.6.2. Provided maximum open and free competition in all purchasing transactions.

2.9.6.3. Conduct purchasing procedures in accordance with the purchasing procedures of the City of Ontario.

2.9.6.4. Use purchasing methods, which meet Federal and State requirements.

2.9.6.5. Conduct analysis of decisions to determine appropriateness of contract pricing or contract costs.

2.9.6.6. Provide documentation to substantiate compliance with requirements (a) through (e).

2.9.7. Accounting Process

2.9.7.1. The City of Ontario general ledger system constitutes the official database for grant financial reporting.

2.9.7.2. The grantee department is responsible for providing staffing resources to create the original supporting documentation for grant expenditures and to verify that these are correctly recorded in the City's accounting system (e.g., time sheets, accounts payable).

2.9.7.3. The Finance Department is responsible for maintaining the purchasing, payroll, accounts payable, accounts receivable, cash receipts system according to grantor standards.

2.9.8. Cash Management Process

2.9.8.1. Programs funded with grant revenues are not to rely on general City cash resources to meet cash flow shortfalls. Grant draw downs are to be requested from the grantor agency as soon and as often as practical.

2.9.8.2. The finance department may prepare or provide review for requests for grant draw downs on the grantor's forms according to the decided upon schedule.

2.9.8.2.1. Federal grant payments are requested by letter of credit to be disbursed by Federal funds wire.

2.9.8.2.2. Checks for State and local grants are made payable to the City of Ontario and mailed to the City of Ontario, 444 SW 4th Street,

Ontario, Oregon 97914.

- 2.9.8.2.3. Grant payments by Federal funds wire are directed to the contracted bank for credit to the City of Ontario's general account.

2.9.9. Program Compliance Process

- 2.9.9.1. Successful grant management requires that the City be able to demonstrate that the service delivery and/or project requirements of the grant have been met.

2.9.9.1.1. The grantee department is responsible for constantly monitoring performance to ensure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved.

2.9.9.1.2. The Finance Department will provide technical support to consult with departments on program compliance issues.

2.9.10. Audit Process

- 2.9.10.1. The audit of a grant includes program compliance as well as financial compliance testing. The grant may be audited annually or at the end of the project or program. State and local grants have the potential to be audited by the particular agency involved. Federal grants are required to follow Uniform Guidance regulations.

- 2.9.10.2. Finance will assess the audit requirements for the grant and develop the plans for the audit with cooperation from the grantee department.

2.9.10.2.1. For Federal grants, finance will schedule an audit under Uniform Guidance (if required) as part of the annual City comprehensive audit and keep the grantee department informed of the schedule.

2.9.10.2.2. Finance will schedule all other audits with the granting agencies and keep the grantee department informed of the schedule.

2.9.10.2.3. Finance and the grantee department are responsible for meeting auditor information needs for financial and compliance testing; in a timely manner.

2.10 Internal Control Violations

2.10.1. Purpose: This section provides direction to the Finance Department for methods in enforcing the City's internal control policies. Employee adherence to established internal control policies is essential in maintaining an adequate internal control system that can enlist confidence from the public over the use of public funds and be utilized for independent audit purposes.

2.10.2. Violations – General Guidelines

2.10.2.1. Occasionally it is necessary for the Finance Department management, together with departmental management staff, to resort to corrective action when other actions are inappropriate, or where a particular employee fails to respond to informal guidance. To provide a fair method of correcting, and when necessary, disciplining employees, the City will use progressive warning and discipline procedures.

2.10.2.2. A warning shall be initiated for any proper reason for violations of the City's established internal control procedures. Progressive warning for violations include: first, Verbal Counseling, next, Written Warning, and finally, a request to the City Manager that a Violation be placed in the employee's personnel file.

2.10.3. Appeal of Violation Actions

2.10.3.1. Any regular employee who has received a written warning or violation shall have the right to appeal to the City Manager. Notice of the appeal must be filed not later than ten (10) days of the effective date of the action. The Notice of appeal shall include at least the following information: (a) a statement of the complaint and the facts upon which it is based; (b) the remedial action requested; (c) a statement of the reasons why the remedial action is appropriate; (d) a statement of any policies, procedures or law or rules which have not been adhered to or which should be followed. The appeal shall be heard by the City Manager within twenty (20) days after receipt of the request. The City Manager shall furnish the department head concerned with a copy of the notice of appeal in advance of the hearing.



Section 3 - Budgeting

3.1 Introduction

- 3.1.1. This section has been developed to provide City staff involved with budget preparation with a conceptual framework in which to prepare the Executive Budget Recommendation. Whenever possible, specific policies, procedures, and parameters have been outlined to enable the user to operationally develop a particular aspect of the budget. There may be instances when an unusual situation that might affect a department is not addressed in this manual; in that case, the department should contact the Finance Director for specific instructions to address the situation.

3.2 Budget Process Timeline

3.2.1. A budget calendar is prepared each year by the city manager and finance director and is approved by the City Council. This will give the general guidelines on the timing of the budget steps.

3.3 Department Responsibility

3.3.1. **Purpose:** This section describes the responsibilities of departments related to the budget document, budget activities, and designation of a Budget Coordinator.

3.3.2. Departments are responsible for the following materials for the budget document:

3.3.2.1. Budget narrative including accomplishments and performance indicators.

3.3.2.2. Financial Summary Requests: Information regarding historical and current financial line item allocations will be provided to each department. The information will be presented in such a format that the department will update the request column and then return the final document to the Finance Director.

3.3.3. In addition to the preparation of budget document materials, departments participate in the following activities:

3.3.3.1. Revenue projections

3.3.3.2. Full-time employee (FTE) reconciliation

3.3.3.3. Capital project and encumbrance reserve estimates

3.3.4. Each Department Head will have the following responsibilities:

3.3.4.1. Act as liaison between the department and the Finance Director

3.3.4.2. Disseminate information from Finance within the department

3.3.4.3. Attend Team Budget meetings

3.3.4.4. Coordinate departmental budget activities and ensure that deadlines are met

3.3.4.5. Review all budget materials for accuracy, content, and style

3.3.5. Department information is confidential until released by the City Manager, or his designees.

3.4 Budget Review Process

3.4.1. **Purpose:** This section describes the Budget Review Process.

3.4.2. The framework for municipal budgeting is established by Oregon Local Budget Law as set forth in Chapter 294 of the Oregon Revised Statutes. The law has four major objectives.

3.4.2.1. It establishes standard procedures for preparing, presenting and administering the budgets of Oregon's local government;

3.4.2.2. It encourages citizen involvement in the preparation of the budget before its formal adoption.

3.4.2.3. It provides a method of estimating revenues, expenditures and proposed taxes.

3.4.2.4. It offers a way of outlining the programs and services provided by local governments and the fiscal policy used to carry them out.

3.4.3. The City Council adopts an annual budget on the modified accrual basis of accounting for all governmental fund types. The procedures outlined below are followed in establishing the allocation of resources and determination of expenditures.

3.4.4. The Finance Director and the City Manager, with the assistance of the department heads, prepares a budget of estimated revenues and expenditures for the forthcoming year. The City Manager and Finance Director review the proposed revenues and expenditures with each department head. After necessary revisions have been made, the City Manager and Finance Director, submits the budget to the budget committee.

3.4.5. The Budget Committee then conducts budget work sessions with the City Manager, Finance Director and staff to make final revisions to the proposed budget. Notice of the scheduled Budget Committee Meetings must be published twice, five to 30 days before the committee meeting. Publications must be separated by at least five days. Public Budget Committee meetings, commencing with the budget message, will be held until all fund budgets are recommended for approval.

3.4.6. The budget is presented in an advertised budget hearing, as required by law, before the City Council by the Finance Director. This usually occurs at a City Council meeting in June. The City Council is required to approve a budget for the subsequent year by June 30.

- 3.4.7.** The city reviews the budget appropriations and actual financial requirements on a continual basis. The City Council may, by adoption of a budget resolution or supplemental budget, make adjustments to revenues and expenditures during that time up to the limits allowed by State budget law.
- 3.4.8.** At the end of each budget period, all positive appropriated balances lapse expenditures are not carried forward unless budgeted to do so. The level of budgetary controls, the level at which expenditures cannot legally exceed the appropriated amount, are established at the fund level. Effective budgetary control is also aided in the general fund by establishing controls at the department level.
- 3.4.9.** During the budget year, the City Manager may transfer any unencumbered balance or portion thereof from the expenditure authorization of one account to another within expenditure type in the same fund.

3.5 Taxing Authority

- 3.5.1.** The Council shall levy and cause to be assessed and collected ad valorem property taxes.
- 3.5.2.** Each year the Finance Director shall present to the Council the following information for each tax rate to be levied:
- 3.5.2.1. The estimated assessed valuation by category of real property in the city as entered in the tax book for the fiscal year kept which the tax is to be levied.
- 3.5.2.2. The assessed valuation by category of real property in the City for the preceding taxable year.
- 3.5.2.3. The amount of revenue required to be provided from the property tax as set forth in the annual budget adopted.
- 3.5.2.4. The proposed tax rate to be set.
- 3.5.3.** The Finance Director shall forward the estimate to the County Clerk on or before July 15th of each year. The Council shall also conduct at least one public hearing on the estimate and the proposed tax rate.



Section 4 – Operations/ Customer Service

4.1 Introduction

- 4.1.1.** Financial operations are the link between the budgeting process and financial management. This portion of the Financial Policies and Procedures Manual is intended to give a readily available resource of guidelines and processes that affect many daily, weekly, and monthly financial transactions.
- 4.1.2.** The wide range of specific circumstances and conditions, which may occur with respect to any given transaction prohibit an exhaustive list. Nonetheless, this listing serves as a basis to assist you in financial processing and will be revised continually as policies change and circumstances require new guidelines.

4.2 Accounts Payable

4.2.1. Purpose: The Purpose of this section is to describe the overall function of Accounts Payable. This includes the outline of special account procedures related to authorizing expenditures, establishing and maintaining cut-off dates when submitting invoices for payment, processing Purchase Orders, creating and maintaining vendor files, processing invoices, entering accounts payable invoice data for payment, payments to employees, employee travel and mileage reimbursement checks, special run vendor checks and policies concerning releasing checks.

4.2.1.1. Expenditure authorization – Expenditure authorization is established by the budget appropriation. The City Manager and Department Heads, or their designees, execute the distribution of these funds by the coding of Purchase Orders and subsequent invoices.

4.2.1.2. Invoice Payment Schedule – Invoices are scheduled for weekly payment. The cut-off dates are established by the City Manager with input from the Finance Department each calendar year.

4.2.1.3. Purchase Orders – Purchase orders are initiated by the Department Head or their designee and processed by Accounts Payable. Accounts Payable receives encumbered invoices and releases the data for additional check processing.

4.2.1.4. Vendor Numbers – Vendor numbers are established for all individuals and organizations to receive payment through the City's accounts payable. These numbers are based on alpha and numeric order with addresses and social security numbers as supporting data.

4.2.1.5. Establishing Invoices – All invoices should include distribution information if it varies from the regular process. To be considered for payment the following forms will be accepted.

4.2.1.5.1. Purchase order must be completed at the time of order by requester and accompanied by supporting data.

4.2.1.5.2. An invoice provided by payee.

4.2.1.6. Processing Invoices

4.2.1.6.1. Accounts payable receives all invoices, statements, and credits. The invoices are reviewed for accuracy and correct balances.

Financial Policies

- 4.2.1.6.2. The invoices are distributed to authorized department heads for coding if no Purchase Order is on file.
 - 4.2.1.6.3. A vendor number is assigned to each invoice.
 - 4.2.1.6.4. Data is entered to create an edit list showing vendors and an explanation of the expense.
 - 4.2.1.6.5. Checks are generated and released after signatures are obtained on the checks.
- 4.2.1.7. Payments to Employees – Employees may not authorize payments to themselves. The employee’s department head or the City Manager must approve the expenditure. The mayor will approve City Manager payments.
- 4.2.1.8. Employee Travel – Employee’s may request funds in advance for travel using a “Travel Request Form” with payments being processed on the regular accounts payable cycles prior to departure. Guidelines for travel advances are set forth in the current employee rules and regulations. All funds must be requested in advance with a Travel Request Form and reimbursed upon return using an “Expense Reimbursement Request/Verification Form”; with documentation and receipts attached. See Section 5.
- 4.2.1.9. Emergency Vendor Checks – Checks that cannot be processed using the regular guidelines will be processed during a “special check run.” Special check runs must be approved by the Finance Director.
- 4.2.1.10. Educational Assistance – All continuing education courses for which reimbursement will be considered must follow the procedures outlined within Section 1.9 Employee Development.

4.3 Purchasing/Procurement

4.3.1. Please refer to Purchasing Policy for specific guidelines on purchasing.

4.4 Purchase Orders

4.4.1. Purpose: The purpose of this section is to describe the responsibilities of the Purchase Orders for the City of Ontario.

4.4.2. Purchase Orders

4.4.2.1. The Accounts Payable Division is responsible for the automated recordkeeping portion of purchasing.

4.4.2.2. The City utilizes pre-numbered 'small' purchase orders (8 ½ x 4) and authorizes all Department Heads to issue said purchase orders for amounts up to \$1,000. Department Supervisors are authorized to issue 'small' purchase orders for amounts up to \$500. Other department staff are not authorized to issue purchase orders unless the Department Head or Department Supervisor issue a memo to the Finance Department identifying an individual who is authorized to sign 'small' purchase orders for a specific amount. In no case shall authority be granted in an amount that exceeds the Department Head or Supervisor authority.

4.4.2.3. The City utilizes pre-numbered 'large' purchase orders (8 ½ x 11) and authorizes all Department Heads to request said purchase orders for amounts up to \$4,999, when evidence of adherence to purchasing provisions are presented to the Accounts Payable Specialist or Finance Director. Upon establishment of compliance with the City's purchasing policies, the Department Head may sign the 'large' purchase order and procure the goods or services.

4.4.2.4. 'Large' purchase orders for amounts of \$5,000 or greater must be signed by both the Department Head **and** the City Manager following review for compliance to purchasing policies.

4.4.2.5. As previously stated, Purchases in excess of \$10,000 require bid documentation. The bid/contract document represents a liability to the City and to ensure the monies will be available for payment on a future date, the budget must be encumbered. The Finance Department will encumber the monies upon request and proper signatures and the system will generate a purchase order as documentation. The invoice will be receipted against the accounts payable invoice. An invoice, exceeding a purchase order amount, must be approved by the initiating Department Head prior to being amended/ increased.

4.4.3. Vendor Codes

4.4.3.1. Payment of invoices requires vendor information to be entered into the accounting system. The Accounts Payable Division will assign vendor codes using six-digit alpha-numeric combination, enter vendor information, and maintain the vendor codes in a report format.

4.4.4. Accounts Payable Processing

4.4.4.1. Once the Accounts Payable Division determines the invoices to be paid and is responsible for entering the invoices in the accounting system. The checks are then printed, signature(s) are obtained and checks are mailed.

4.5 Fixed Assets

- 4.5.1.** Fixed assets are maintained by the Finance Department using a perpetual inventory system. The term “fixed asset” is used to describe land, buildings, vehicles, equipment, and other items used in providing services to the community. It is important to track an entity’s fixed assets to help protect the items against theft, loss, or misuse. The City will perform a physical inventory of its tangible capital assets, either simultaneously or on a rotating basis, so that all of the City’s tangible capital assets are physically accounted for, at least once every five years. Each asset will be included in a detailed physical inventory report and will identify items that have been disposed of or transferred to a different location within the City.
- 4.5.2.** It is the department’s responsibility to notify the Finance Department upon transfer to another department or disposal.
- 4.5.3.** For financial statement purposes, the City capitalizes and reports any individual Fixed Asset over \$5,000 in Governmental Activities and Business-Type Activities with an estimated useful life of at least one year following the date of acquisition. The City will apply its threshold to individual items rather than to groups of similar items (e.g., desks and tables). Infrastructure assets will be treated separately from other capital assets and the capitalization threshold will focus on new construction or extension of useful life of an existing infrastructure item.

4.6 Accounts Receivable

4.6.1. This section describes the system used by the City of Ontario to bill outside organizations, businesses, and citizens for services provided by the City.

4.6.1.1. Real Estate Taxes are calculated by the Malheur County Assessor's Office and are billed and collected through the Malheur County Collector's Office for the City of Ontario.

4.6.1.2. All water and sewerage charges are billed and collected by the Utility Billing Clerk.

4.6.1.3. All other services performed (including utility services, use of City facilities, contract agreements and grant draws) and reimbursements for the City of Ontario are billed by the Finance Department.

4.7 Cashier/Cash Receipts

- 4.7.1. Purpose:** This section describes the process to be followed by the cashier when receiving payments.
- 4.7.2.** Cash is received either over the counter at city hall, or via wire transfer to the City's bank account. In cases of counter activity, a customer receipt is prepared by the Cash Receipts Specialist on the computerized cash register, which enters the transaction into the system, and is reviewed by Accounts Receivable. In cases of wire transfer to the City's bank account, a customer receipt is prepared by the Finance Department on the computerized cash register, which enters the transaction into the system, and is reviewed by the Finance Director. The computerized cash register also generates a cash receipts journal.
- 4.7.3.** The cash receipt journal is prepared automatically by the computerized cash register. Therefore, as the cash is received into the register and a receipt is issued to the customer, the same information is used by the computer to prepare the cash receipts journal.
- 4.7.4.** Each afternoon by 4:00 p.m., a posting is made to the central account for that day's activity. This provides for daily balancing of cash received and receipts generated for the day. Posting to the cash receipts journal is done each day a deposit is made. This posting must balance to all daily central account posting done since the last cash receipt journal posting.
- 4.7.5.** Reports with the same posting information are generated each day and kept on file in the Finance Department.
- 4.7.6.** Each time a deposit is made, the Finance Department prepares a deposit summary sheet, which is a summary of the day's receipts. This sheet shows the amount deposited to each fund and total amount deposited into the bank account.
- 4.7.4.** After all posting is done, the Finance Department prepares a deposit slip, and a second Finance Department employee verifies the deposit. A member of the Finance Department then delivers the deposit. After each deposit is made, the deposit receipt is compared to the amount recorded on the deposit summary sheet.
- 4.7.5.** Internal controls involving cash receipts include:
- 4.7.5.1. Cash receipts are numbered by the computerized cash register.

Financial Policies

- 4.7.5.2. Authorized personnel must enter a password prior to processing a receipt.
- 4.7.5.3. All void receipts are retained and noted for reason of void.
- 4.7.5.4. All checks submitted to Finance for processing shall be endorsed with:

FOR DEPOSIT ONLY
BANK NAME
CITY OF ONTARIO
ACCOUNT NAME
A/C (DEFINED)

- 4.7.6.** Internal controls involving month-end procedures include month-end balancing of the deposit summary sheets and bank statements are performed by the Finance Director and approved by the City Manager.

4.8 Payroll

4.8.1. Purpose: The purpose of this section is to describe the overall function of Payroll and to outline special procedures related to emergency payroll checks, copies of applicable personnel records, time sheet deadlines and signature requirements; and the City's policies for holidays and leaves of absence. Also provided is information on overtime pay and compensatory time.

4.8.2. Payroll – Payroll pays all employees' salaries and wages; prepares monthly, quarterly, and yearly reports on federal and state taxes; and issues W-2 tax forms to the government agencies and employees. Payroll also prepares for payment of all insurance billings, employee retirement funds, deferred compensation, and mutual funds. Payroll processes garnishments, direct deposit, and general ledger account reconciliation for payroll-related accounts. Payroll maintains all time accrued for employees, merit increases, and other personnel action data.

4.8.3. Special Payroll Procedures

4.8.3.1. Emergency Payroll Checks – Payroll checks other than those issued on the regular paydays will be processed as necessary.

4.8.3.1.1. All requests for emergency payroll checks must be submitted to Payroll at least 24 hours in advance of the time the check is needed

4.8.3.1.2. The emergency processing is subject to approval by the City Manager or his/her designee.

4.8.3.2. Copies of Forms – Payroll must have a copy of a new employee's Social Security card or other paper verification included with the hire Personnel Action form (PAF) (See Section 5). Employees are required to complete and sign a W-4 form and an I-9 form.

4.8.3.3. Time Sheet Information – Employees are required to sign their timesheets. Supervisors review and countersign the time sheets of their employees. The deadline for turning in time sheets for payroll is 5:00 PM on the 21st of each month. If the 21st is on a weekend or holiday, timesheets are due on the following workday morning. This deadline will only be changed thru notification by the Finance Department.

4.9 Treasury Management

4.9.1. **Purpose:** This section describes the treasury functions and outlines specific procedures to cash and debt management that are established within the Finance Department.

4.9.2. The Finance Director performs the primary function of treasury.

4.9.3. Treasury functions include the following:

- 4.9.3.1. Manage the City's investments
- 4.9.3.2. Oversee banking relations
- 4.9.3.3. Issue, track and manage the City's debt
- 4.9.3.4. Track City's contractual obligations relative to cash disbursement
- 4.9.3.5. Monitor cash flow

4.9.4. Specific Cash and Debt Management Procedures are as follows:

4.9.4.1. Loans/Installment Purchases - Because all loans and installment purchases are considered the City's debt, it is very important that Finance complete those transactions on behalf of the City. Finance will maintain a copy of the agreement, payment schedule, and contact name. Finance is also available to review terms of any loan or lease purchase agreement. All payments will be processed through Finance.

4.9.4.2. Credit Cards – Credit cards will be issued according to the City's travel and training policy. The use of these cards is primarily for convenience when traveling. An expenditure that is inappropriate for use of City funds may not be made on a City credit card.

4.9.4.3. Cashiering and Deposits – City offices that accept payments are limited to the Recreation Center and they must establish a system for timely deposit and recording of the funds. Use of printed, pre-numbered receipt forms is required. Turnover documentation providing appropriate account codes to credit the deposits should be sent to the Finance Department no later than two working days following the receipt. This ensures accurate credit of the deposit to the General Ledger accounts and timely deposit of funds received.

4.9.4.4. Bank Accounts – Bank accounts may only be opened by the Finance Department, following approval by the City Manager and authorization

by the City Council. No other employee or department of the City shall open a bank account in the City's name using the City's tax identification number.

4.9.4.5. Account Reconciliation – Monthly account reconciliation will be performed by the Finance Department, with copies of required information furnished to Finance within a timely manner. Reconciliation will clearly show beginning balance, deposits made, checks written, outstanding checks, and any charges or unusual items. The reconciliation must agree between the bank statement and the general ledger.

4.10 Front Desk

4.10.1. Mail

4.10.1.1. All outgoing mail is processed at the front desk. Each department is responsible for the cost of its mail. The postage meter tracks the number of pieces and the dollar amount by the department.

4.10.2. Billing

4.10.2.1. Each month a table is prepared for each department listing the amount owed for postage. Adjustment to accounts for payment of postage are made at the close of each month.

4.10.3. Petty Cash

4.10.3.1. Petty cash can be obtained from the front desk upon authorization. The procedure to obtain petty cash is to fill out a petty cash slip, provided by the front desk, noting the date, amount, account coding, reason for request, and approval by authorized personnel. The maximum limit is \$20 per request.

4.10.3.2. Request to draw more than \$20 from Petty Cash can be made to the Finance Director and will be considered when funds allow.

4.11 Surplus Property Disposal

4.11.1. Purpose: This section describes the methods for disposal of surplus personal property at the City of Ontario. Disposal of the City's surplus property is under the direction of the Finance Director. As items were purchased with public funds, the Council must declare items to be surplus prior to disposal and said disposal. In every instance, unless specifically authorized by the City Council, revenues from the sale of surplus items must be deposited into the City's bank accounts. The methods of disposal used are:

4.11.2. Deminimus Valued Items – Non-capital material and supply Items that are normally used up during the normal course of business and have an individual value of less than \$2,500, are exempted from the formal surplus disposal process. These items can be thrown away, destroyed, or sold at a City yard sale without a declaration of surplus property.

4.11.3. Unusable Equipment – The disposal of capital equipment that has only a salvage value that is less than \$2,500, is exempted from the formal surplus disposal process. These items can be sold for salvage value without a declaration of surplus property.

4.11.4. Auction Sale of Property – Non-attached personal property may be sold at auction if the Finance Director determines that the auction contemplated will probably result in a higher return than if the property were sold by competitive written bid.

4.11.5. Liquidation Sales of Personal Property – The Finance Director may approve a department to sell personal property through a commercially recognized third-party liquidation if the Finance Director has determined that a liquidation sale will result in increased net revenue and the selection of the liquidator was conducted as a minimum, by the competitive Request for Proposal process.

4.11.6. Fixed Price Sale of Property - The Finance Director may approve a department to sell personal property, including recyclable or reclaimed materials, without formal competitive bidding if the Finance Director has determined that this type of sale will result in increased net revenue and the City is in compliance with the following conditions:

4.11.6.1. When the current market value per item is deemed to be less than \$5,000, the Finance Director may establish or approve a Department Manager's selling price, schedule and advertise a sale date, and sell to the first qualified buyer meeting the sales terms.

4.11.6.2. City employees may submit an offer meeting the sales terms for the personal property when no offers meeting sale terms have been received within 72 hours of the sale date.

4.11.7. Sealed Competitive Bid for Property - When the current value per item is deemed to exceed \$5,000, the personal property must be offered for competitive written bid and be advertised in accordance with state statutes or be offered for sale at public auction. If no bids are received or if a determination is made that the market value of the property exceeds that offer of the highest responsible bidder, all bids may be rejected and the Finance Director or appropriate Department Head may negotiate a sale subject to the following conditions:

4.11.7.1. An appraisal of the market value of the property is obtained and documented and the negotiated sale price meets or exceeds the market value; or

4.11.7.2. The sale amount exceeds the highest bid received through the bidding or auction process.

4.11.8. Donations of Property – The City Manager may transfer property, including recyclable or reclaimed materials, without remuneration or only nominal remuneration without competitive bids to the following activities:

4.11.8.1. Another public agency; or

4.11.8.2. Any sheltered workshop, work activity center, or group care home which operated under contract or agreement with, or grant from, any State agency and which is certified to receive Federal surplus property; or

4.11.8.3. Any recognized non-profit activity, which is certified to receive Federal surplus property. The Finance Director may donate or sell, without competitive bids, surplus property to recognized private non-profit social or health service activities, subject to the following conditions:

4.11.8.3.1. A determination has been made that the property is not needed for other public purposes and that its economic value has been expended by the City;

4.11.8.3.2. It will be transferred to the non-profit corporation for the express purposes of providing the public services the non-profit corporation provides;

4.11.8.3.3. If the property has a current market value of \$250 or more, the donation or sale shall:

- 4.11.8.3.4. Be approved by the City Manager;
- 4.11.8.3.5. Be documented by the Finance Director to be clearly in the public interest; and
- 4.11.8.3.6. Be determined by the City Manager and Finance Director that this is the most efficient and cost-effective method for disposing of the property.

4.11.8.4. The Finance Department shall maintain a record of all transfers, donations, or sales authorized by Subsections 1 and 2 of this section.

4.11.9. Items of Specialized and Unique Use – Items of specialized and unique use, including but not limited to, uniforms, special clothing, and articles of personal apparel having individual current value of less than \$100 per item (such as a pair of shoes) may be sold to City employees or retired or terminated employees for whose use they were purchased. These items may be sold without bid and with a process deemed most efficient by the responsible Department Head.

4.11.10. Trade-In of Property - Property may be traded in conjunction with acquisition of other items at the time competitive bids are solicited for those items. Notice of the item traded in should be provided to Finance by the appropriate Supervisor or Department Head within seven (7) days of trade to remove from the asset list and discontinue insurance coverage.



Section 5 - Forms

AGENDA
MEETING OF THE ONTARIO PUBLIC WORKS COMMITTEE
Tuesday, November 14, 2017, 3:00 P.M., MT.
**** PUBLIC WORKS HEADQUARTERS ****

1) Call to Order:

This agenda previously published / e-mailed **November 8, 2017.**

ROLL CALL:

_____ Scott Wilson	_____ Riley Hill	_____ Vacant
_____ Bernie Babcock	_____ Pat Woodcock	

2) Adoption of Minutes: October 10, 2017*

3) CH2M Contract

Betsy/Cliff

4) Driveway Standards

Dan Sh.

5) Updates

Betsy/Cliff

6) Adjourn

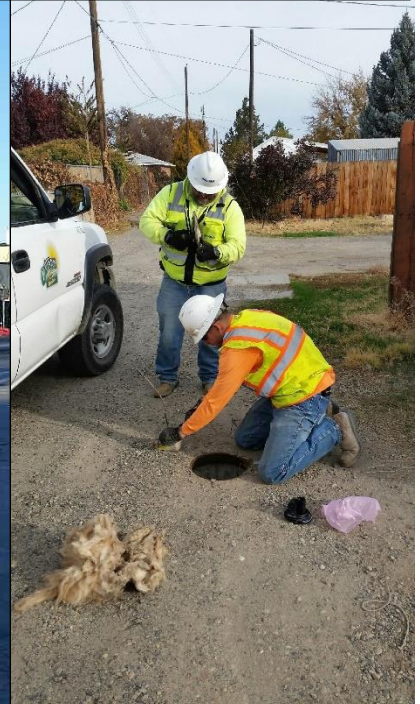
* Handout attached



Jacobs

Sept. 21 – Oct. 25

2018 Report



October 2018

Prepared by JACOBS for
CITY OF ONTARIO/PUBLIC WORKS DEPARTMENT

Monthly Business Review

PUBLIC WORKS DEPARTMENT

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FIELD SERVICES: STREETS & COLLECTION/DISTRIBUTION SUMMARY

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

- Crews worked with Warrington Construction on the Water/Sewer Project, isolating water mains and identifying sewer services.
- Crack sealing began.
- A new bus shelter near Harbor Freight was installed; this has been an action item for some time.
- A new utility trench was dug for electrical service for the Golf Course building. Idaho Power will install the service.
- Public Works Committee meeting was held on October 9th at the Public Works conference room.
- Crews were sent to Boise to pick up donated office furniture from the Jacobs office move.
- We had an internal safety team here to review all safety protocols and inspect all of our facilities, the inspection went well and we received high marks.
- We have received the lighted stop signs for the 4th and Verde intersection. These will be installed as soon as the posts are delivered.
- Training continues for newly hired staff, especially related to heavy equipment operation.
- Repaired sink holes throughout town.
- Installed a 2" irrigation service at the Splash Pad Site.
- Leveled out working areas at the airport for the fence project.
- Removed a blockage in the 24" storm line that was backing up the system during a rain event.
- Cleared multiple catch basins throughout town.
- Crews worked on numerous leaking water services throughout the community.



Top: Crew repairing sink hole in asphalt.

Bottom: Jacobs crew excavating for leak at Lion's Park.



FIELD SERVICES: STREETS & COLLECTION/DISTRIBUTION SUMMARY

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

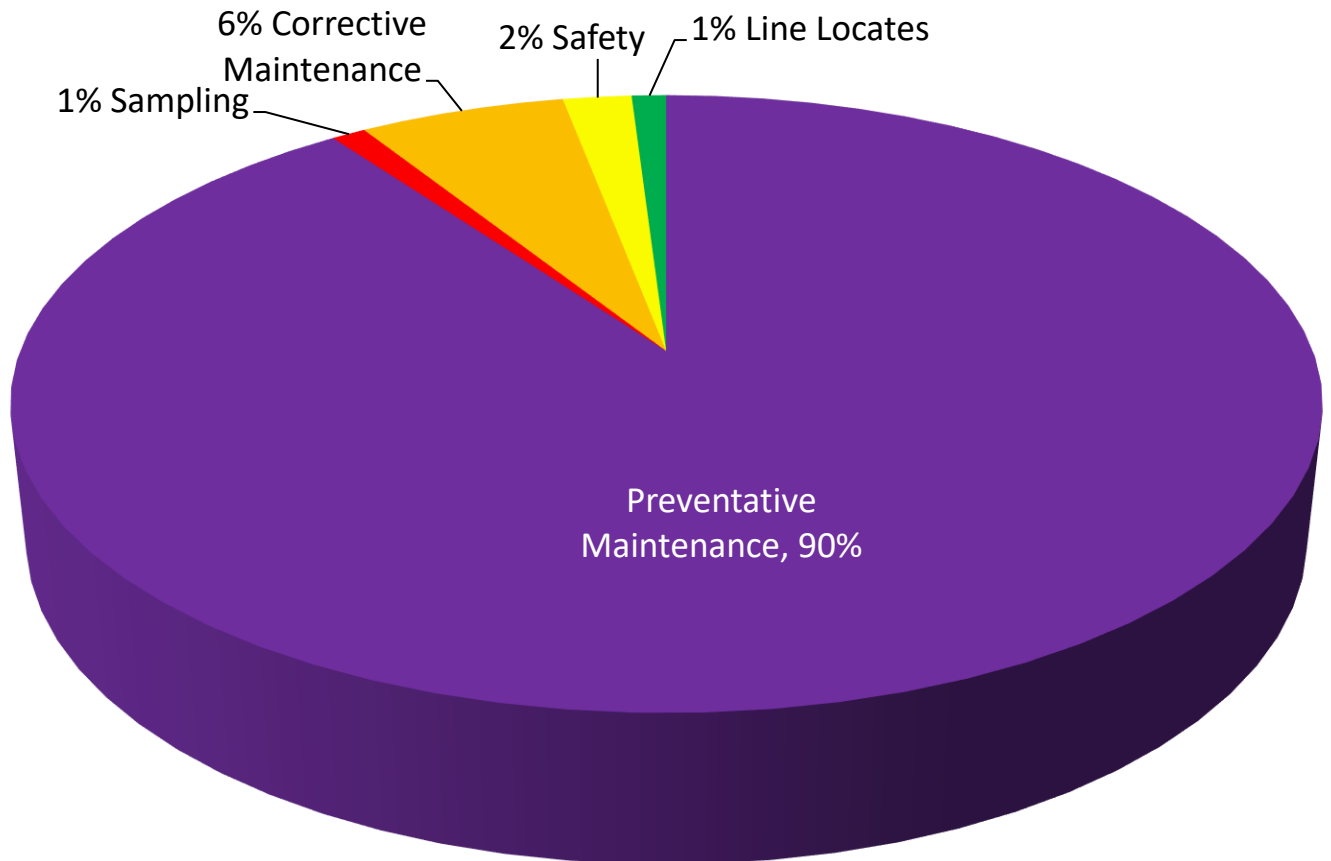
- Weekly lift station checks and maintenance.
- Sewer cleaning continues throughout the City.
- Performed weekly vehicle, equipment, lift station, and building inspections.
- Water maintenance – leaking setters, broken angle stops, and broken boxes were repaired through-out town.
- 48 water services were turned on per customer request.
- 36 water services were shut off per customer request.
- 37 water services were read-only on/off per customer request.
- 2 water services were checked for consumption issues.
- 51 water services were turned on for payment received.
- 18 water services were checked to verify leaks had been repaired by customer.
- 19 water services were shut off due to leaks, per customer requests.
- 11 water services were checked for leaks per customer request.
- 17 water services were shut off and winterized per customer request.
- 72 water meters were changed out for not functioning.
- 52 water meters were shut off for non-payment.
- 24 services were checked to verify locked off for non-payment.
- 66 utility locates were completed.



Crew crack sealing in Northwest area of town.

FIELD SERVICES: STREETS & COLLECTION/DISTRIBUTION SUMMARY

**Work Orders
September 21 – October 25
Actual Hours by Work Order Type**



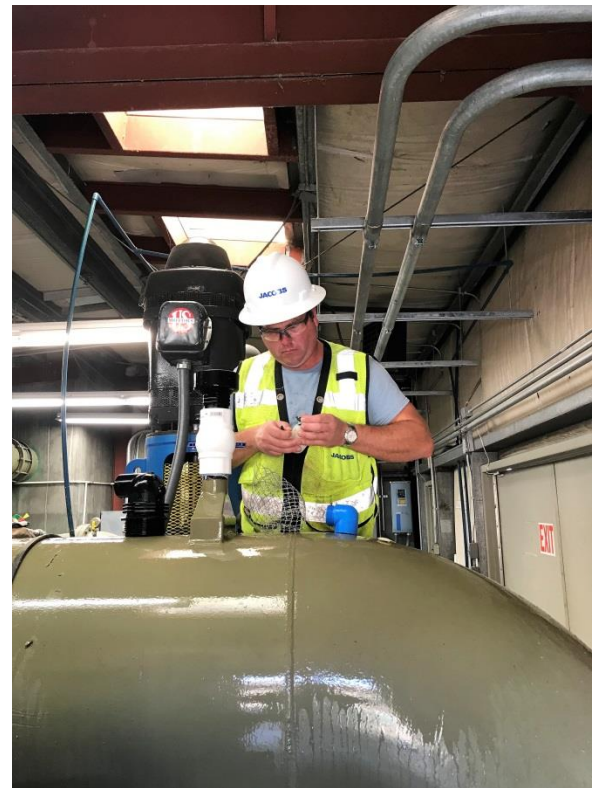
WATER TREATMENT PLANT SUMMARY

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

- Routine maintenance throughout system; operations are good. River raw water supply is stable and good treatment has resulted.
- The recovery settling basins were drained and cleaned.
- Sampling has continued for blue green algae in raw water supply from Snake River; this testing is mandated by the State of Oregon and may require additional testing and potential Water Advisory notices. All samples have been negative so far.
- Installed new air/vacuum release valve.
- River flows are down, water quality improving.
- Clarifier #1 was taken off line and cleaned.
- Cleaned wash water recovery basins #3 and #4.
- Replaced finished water analyzer pump.
- Installation of new wash arms on sand filter #1.
- Extended water filter runs at over 48 hours, good treatment.



Left: Employee cleaning out clarifier #1.

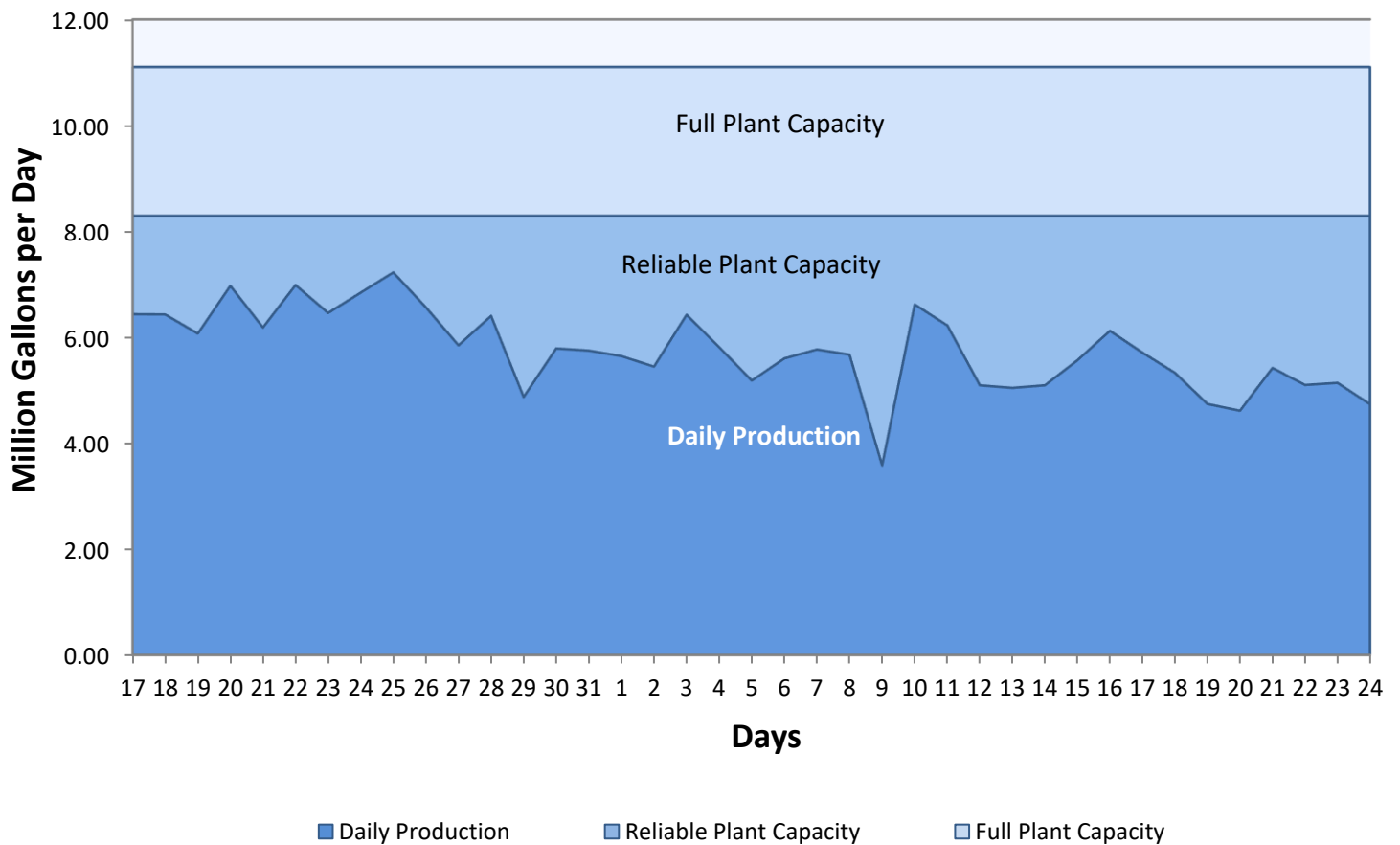


Right: Staff performing maintenance on air/vacuum release valve.

WATER TREATMENT PLANT SUMMARY

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

Demand vs. Availability



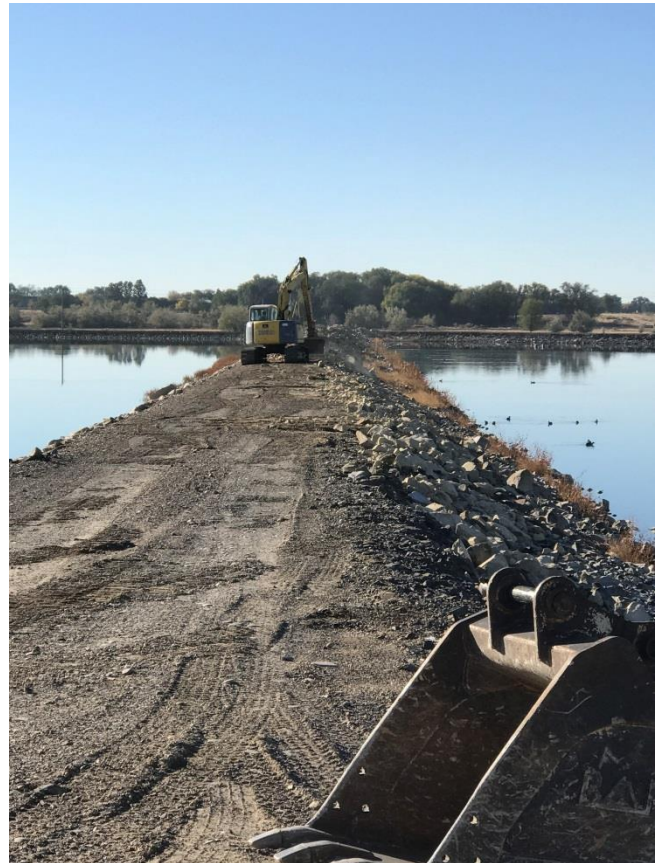
WASTEWATER TREATMENT PLANT SUMMARY

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

- Normal operations; plant is operating well.
- Installed a static level gauge.
- Prepared plant to stop flowing to skyline and start discharging to the river.
- NPDES meeting was held at the Chamber of Commerce forum. City leaders and representatives from DEQ were there to present the new permit and to answer any questions.
- Winterized skyline pumping station.
- Replaced defective level indicator for the chlorine contact chamber.
- Crews continue with regularly scheduled maintenance as tracked by our maintenance management system.



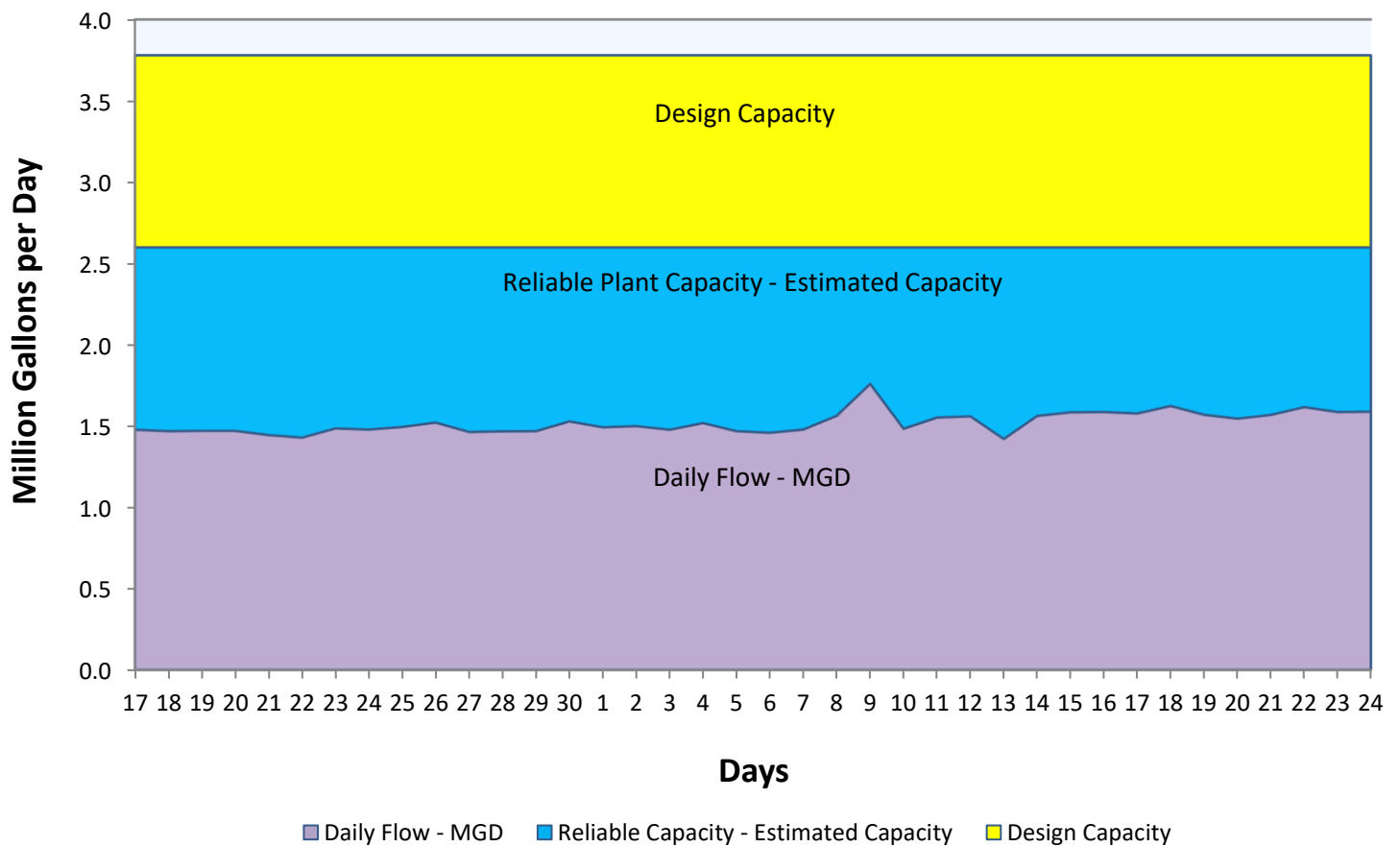
Both: Contractor rebuilding lagoon dikes that were damaged during winter ice storms.



WASTEWATER TREATMENT PLANT FLOWS

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

Wastewater Treatment Flows



PARKS AND CEMETERY SUMMARY

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

- There were 3 burials at Evergreen Cemetery and 1 at Sunset Cemetery.
- Three of the wells pumping into the Golf Course pond were started.
- Irrigation systems are being blown out in preparation for Winter. This includes all underground systems in Parks, Cemeteries, and throughout town.
- Staff has begun leaf mulching in all parks and cemeteries, this will continue through the Fall as long as leaves continue to fall.
- Fall herbicide application in all parks and cemeteries.
- Completed regularly scheduled maintenance on irrigation systems in both cemeteries and parks.



**Mulching leaves at
Beck Kiwanis Park.**

ENGINEERING SUMMARY

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

- Right-of-way permits issued: 4
- Attended a preconstruction meeting with Brad Holcomb for the OAC restroom.
- Attended a development meeting for repurposing of an existing building.
- Attended a Safe Routes to School coordination meeting.
- Attended a sustainability meeting.
- Attended weekly splash pad meeting.
- Inspected 2 driveway concrete pours.
- Completed 2 water line pressure tests for Warrington Construction.
- Issued 2 new addresses for new developments.
- Golf Course Upgrade – Continue to move forward with ADA modification design; several revisions have been requested. Those are being incorporated.
- City Hall remodel – Drawings and bid package prepared and out to potential bidders.
- Mid-block crossing – Officially rejected by City; project to be incorporated into S. Oregon design and construction.
- S. Oregon Design – Master Services agreement and Task Order for S. Oregon survey developed and being executed. Survey to be completed within month of November.
- National Pollutant Discharge Elimination System (NPDES) – City team worked with DEQ to present at Chamber of Commerce and then later support Public Hearing at Four Rivers Cultural Center. Public comment period ends Oct. 31. Design team is working on finalizing numbers and information for Variance application.
- SRCI – City team met to discuss status. Team is currently in process of preparing new language. City Attorney has been in contact with DOJ. City Engineer working with City Finance on Rolling Stock and future costs. City Engineer working on Annual Surcharge.
- Splash Pad – Got Site project out to Bid but had to postpone opening to provide opportunity for bidders to react to updated bid form with adjusted quantities. Continue working with Restroom contractor.
- Lions Shelter – In process of selecting colors then will get PO and secure shelter. PW staff will construct in spring. PW staff will demolish existing concrete pad and prep pad for new concrete (by others).
- Water Master Plan – City Engineer brought final scope Task Order for Anderson Perry to Council. Council approved and AP is approved to move forward. PO secured.
- 2018 Water and Sewer Construction Project – Coordinating with contractor, conducting daily reviews, review of Pay Applications, change orders, etc.
- Baffle Wall – Continuing design.
- SE 3rd St/SE 3rd Ave – Stop signs installed as deemed appropriate in stop warrant evaluation.
- Verde 4-way stop – Received LED lighted stop signs, waiting for posts for installation.
- TSP Grant – Held 2nd meeting with Cheryl J-S on Grant. Continuing review and refinement of scope.
- Safe Routes to School – Grant application finalized and submitted. Met with School District to smooth out minor misunderstandings on responsibilities and what the “leveraging” would mean and how it would work.
- Attended Council meetings.

ENGINEERING SUMMARY CONTINUED

ACTIVITIES SEPTEMBER 21 – OCTOBER 25:

- WW Cameras – continued working through details on both the Push Camera and the Skid Camera in order to make final selection of low bidder.
- Backhoe – presented low bid to Council for approval.
- TVCC Trail – CK3 began surveying project area.
- Hometown Motors – Submitted grades as requested. Though developer expected fully engineering drawings. Continuing to work with them.



Right: Warrington Construction pipe bursting water main on SW 3rd Ave.

Left: Holcomb Construction concrete forms for Splash Pad restrooms.



APPENDIX

FIELD SERVICES

Collection and Distribution staff is responsible for Sewer Collection and Water Distribution throughout the City. Water distribution duties include maintenance and repair of approximately 97 miles of water lines and 3,625 services that include service installations, mainline installation, meter reading, maintenance of more than 600 fire hydrants, and valve exercising of more than 1,700 water valves.

Sewer collection duties include maintenance and repair of approximately 78 miles of sanitary sewer lines within the city. Responsibilities include constructing new pipelines, cleaning all gravity sanitary sewer lines, repairing or replacing sanitary sewer lines as needed, providing line locations for all water and sewer lines, and maintaining eight lift stations plus a barscreen and one lift station from SRCl. The city has approximately 56 miles of storm drain collection lines and 1,450 catch basins throughout city limits. Duties include storm drain maintenance and repair, cleaning of approximately 11 miles of storm drain lines, and cleaning the catch basins.

*COLLECTION AND DISTRIBUTION STAFF MAINTAINS
78 MILES OF SANITARY SEWER LINES
56 MILES OF STORM DRAIN COLLECTION LINES,
AND 1,450 CATCH BASINS THROUGHOUT
CITY LIMITS*

The Street Maintenance Division maintains more than 122 lane miles of improved streets and more than 9 miles of alleys. The Street Division is responsible for resurfacing, repairing and maintaining the streets, installing and maintaining street signs and markings, tree trimming, and repairing all established pavement markings. The division also completes excavation and repair of deteriorating streets, gravel road grading, street sweeping, crack sealing, chipsealing, snow removal and sanding during the winter months, and weed control along the alleys. Street Maintenance staff assists the Chamber of Commerce by putting decorations on street lights during the Christmas season and replacing them with regular decorations when the season is over.

*STREET MAINTENANCE DIVISION MAINTAINS MORE THAN
122 LANE MILES OF IMPROVED STREETS
9 MILES OF ALLEYS
CHIPSEALS LAST A MINIMUM OF 8 YEARS,
AND PUBLIC WORKS CHIPSEALS 7 MILES PER YEAR*

As part of the Street Division's maintenance program, crews chipseal street surfaces in the summer months to protect them from water and weather damage and to keep them in good condition. A chipseal maintains the existing pavement, delaying further aging resulting from water and sun, provides a moisture barrier, and corrects existing pavement problems by sealing cracks. A chipseal application provides

substantial savings to taxpayers and should last a minimum of 8 years with minimal maintenance required. The city chipseals approximately 7 miles of streets per year.

APPENDIX CONTINUED

Water treatment plant staff is responsible for treatment of the city's drinking water supply. They must reliably produce high-quality water in adequate volume to meet city needs. Besides the daily laboratory checks, there are monthly, quarterly and yearly reports.

There are two sources of water for Ontario's estimated 11,090 residents: 80 percent comes from the Snake River and 20 percent comes from wells. Two plants treat the City's water. One is a conventional filtration plant and the other is an upflow clarifier. The steps for treatment are flocculation, sedimentation, filtration and disinfection, which meet the compliance of the Oregon Health Authority.

The Oregon Health Authority requires an operator be on duty 365 days a year. Ontario customers account for 3,845 water services, not including SRCl.

The water treatment plant has a reliable capacity (capacity with the largest pump out of service) of 8.3 mgd and a maximum capacity of 11 mgd. The water treatment plant average production is 6 mgd and the City's largest industrial user, Heinz Frozen Foods, uses an average of 2.2 million gallons (MG) of that water.

THE WATER TREATMENT PLANT HAS A RELIABLE CAPACITY OF 8.3 MGD AND A MAXIMUM CAPACITY OF 11 MGD.

APPROXIMATELY 80 PERCENT OF WATER COMES FROM THE SNAKE RIVER, THE OTHER 20 PERCENT FROM WELLS.

The City retains surface and groundwater rights permits for a combined total of 38.23 cubic feet per second (cfs), 24.71 mgd for municipal use.

All of the City's potable water is treated and disinfected at the water treatment plant. The plant has an original 8-mgd design capacity based on the optimum filter loading rates. The City expanded its treatment capacity in 2006, through the addition of two adsorption clarification and filtration tanks.

WASTEWATER TREATMENT PLANT

The wastewater treatment plant collects wastewater from the entire city and SRCl. The prison accounts for approximately 16 percent of the flow to the plant.

Wastewater treatment plant operators use a conventional treatment system of aerated lagoons and secondary chlorination treatment. Effluent from the treatment process is used to irrigate forage crops during the growing season. Nine lift stations transport sanitary sewer waste to the Wastewater Treatment Plant. Wastewater is screened and the flow measured at the headworks. Five cells (lagoons) with 25 mechanical aerators assist with biological treatment. Onsite generation of chlorine is used for disinfection.

Average discharge volume is approximately 1.5 mgd. Winter discharge is to the Snake River from November through March. Summer discharge is land applied to approximately 353 acres of cropland at the Skyline Farm.

APPENDIX CONTINUED

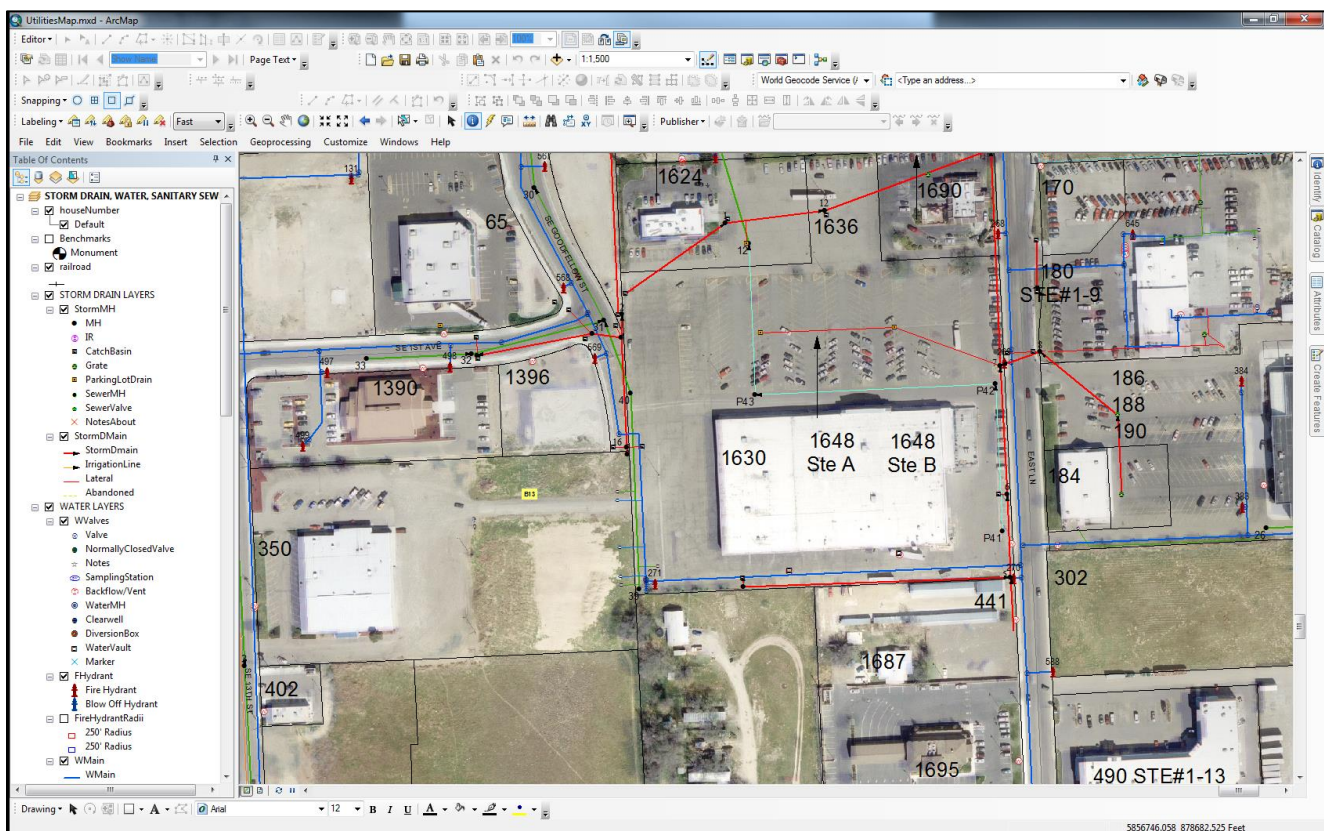
PARKS DEPARTMENT

The Ontario park system consists of both active and passive recreational areas. There are four neighborhood parks, one community park, one large urban park, and numerous special use sites in the park system. In total, the City owns 13 park and recreational areas representing more than 1,012 acres of land. The city also owns the Wayne King Skateboard Park.

ENGINEERING DIVISION

The Engineering Division reviews plans for construction of public improvements, maintains the city's mapping system, and manages the engineering projects within both the Capital Improvements and Maintenance Programs. The department provides technical support to residents, developers, builders, other city departments, consulting engineers, and surveyors. The staff reviews and approves construction plans for subdivisions, partitions, streets, sanitary sewer, water lines, and storm drainage construction projects. They also design projects, prepare bid documents for public works maintenance projects, and provide project management for public improvements.

The Geographic Information System (GIS) database is maintained by Engineering Department staff. The department also provides support to the city by creating, analyzing, and maintaining the city's geographical digital data. They provide updates to the record maps for all city utilities, right-of-way, easements, land division plots, and city base maps.





October 2018 ACTIVITY REPORT



October 2018



Emergency Medical:

(Types of medical calls responded to: Falls with injury, fall lift assists, medical emergencies, medical alarms, assaults, etc.)

CITY	148
RURAL	13

4 of these emergency calls required back-up crews to be called in to respond to 2nd call.

Hazmat Team Calls:

1

Fire Related Emergency Calls:

(Types of fire related calls responded to: Rescue calls, building fires, vehicle fires, smoke detector/fire alarm activation, unauthorized burning, etc.)

	TOTAL	General	Mutual Aid
CITY	28	4	1
RURAL	11	2	2

1 of these emergency calls required back-up crews to be called in to respond to 2nd call.

TOTAL CALLS FOR MONTH

CITY	176
RURAL	24

FIREFIGHTER TRAINING:

Every Tuesday in October the crews installed smoke detectors, we focused on the Hispanic families, by jointly working with Four Rivers School, and then other call in requests.

10/4, 5/18 Chief attended a mental health and wellness conference

10/15/18 Oregon department of Public service training did accreditation reviews

10/23/18 Traffic Incident management training hosted for several local departments.



October 2018



PERMITS ISSUED:

City Open Burns 12

City Burn Barrels 3

Rural Open Burns 113

Rural Burn Barrels 45

INSPECTIONS:

9/26/18 Fire alarm inspection at Les Schwab Tire.

9/26/18 Heinz fire sprinkler flush test.

10/11/18 Les Schwab Tire final inspection.

10/15/18 Four Rivers school kitchen hoods inspection.

10/19/18 Heinz Sweet potato fire sprinkler inspection.

COMMUNITY INVOLVEMENT:

9/27/18 Ontario High school Homecoming Bon fire.

10/4/18 Giggles and Grace Community Fall fair public education.





October 2018

10/6/18 Home Depot Safety Fair with our Public education trailer.



10/8/18 Career day for home school group.

10/10/18 Cairo elementary jog-a-thon for all county public safety departments with the students.



10/12/18 Public education tour for 5 children and 2 escorts.

10/18/18 Public education training at Four Rivers School for 40 first graders.



October 2018
Summary of Calls of Interest:

City Incidents:

167 SW 7th Ave. This was a trash fire that was started by careless smoking that caught numerous piles of trash that was piled up on a back patio on fire. The fire then spread to the siding on the house.

155 S. Oregon R-1 responded to a report of a shed on fire that turned out to be a shop box van that was fully involved. The fire also damaged another car that was parked nearby.

290 NE 3rd St. R-1 responded to a car fire the fire was contained to the engine compartment.

502 N. 3rd St. Nyssa Engine 103 responded to mutual aid Nyssa for a RV trailer fire and a storage garage with flames showing. The crew was used to do search in both structures due to a missing person. No victim was found and he was later located elsewhere in town.

427 NW. 2nd St. R-1 responded to a wood storage shed that appeared to have started due to an electrical failure.

122 NW 3rd Ave. R-1 responded to a residence that had a smell of natural gas. This is the second time in a week the family smelled gas and had it investigated. The staff turned off the gas to the furnace and monitored the situation until Cascade gas arrived.

Rural Incidents:

Little Willow Rd. 159 and 100 responded to a mutual aid call for a wildland fire to Washington County off of Little Willow Rd. 159 was water supply for a couple of hours and 100 cleared shortly after arrival. The fire was being handled by the all-terrain fire trucks.

I-84 Mile post 372 R-1 responded to a grass fire on I 84 mp 372 that burned a couple of acres and was spreading fast due to wind conditions.

390 Tuttle Dr. R-1 responded to a power pole on fire with down lines. The crew stood by waiting for Idaho Power to arrive. The cross arm burned and also a transformer shorted out causing a large area to lose power for a while.

1720 Park Ave. Nyssa 159 responded on a mutual aid to be a water supply for a fully involved single wide trailer fire.

3417 NW 10th Ave. 100 156 155 responded to a double wide trailer fire with smoke and flames showing. There was fire in the kitchen area near the stove. A neighbor had put water on the fire and had put a large part of the fire out. There was smoke throughout the structure that was cleared systematically by the fire crew. The fire appeared to have started due to a faulty or overloaded outlet splitter above the kitchen counter.



October 2018

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4583 HWY 201 Numerous crews responded to a large hillside on fire. This was caused by a controlled burn that got out of control. There were houses at the top of the hill that were threatened, but were not damaged.



City of Ontario
POLICE DEPARTMENT
Office of the Chief

444 SW 4th Street
Ontario, OR 97914

To: Ontario City Council
Re: Department Statistics for September 2018

Activity	Month of September	Previous Month	Year to Date	Prior Year to Date
Calls for Service	950	952	8023	8417
Traffic Stops	270	159	1831	1200
Cited Traffic/Parking	151	90	957	863
Motor Vehicle Crashes	37	43	346	379
Arrests	97	94	712	633
Arrests w/ Use of Force	0	0	6	8
Citizen Complaints	0	0	2	2
Task Force Cases	2	3	26	25
SRO Cases	32	65	397	519
Gang Related Cases	7	18	113	115
Gang Designations	0	0	4	1
Graffiti	16	17	123	100
Death Investigations	0	3	16	14
Burglary	8	8	75	97
Robbery	1	1	7	8
Larceny	43	39	326	458
Assault	5	10	74	143
Homicide	0	0	0	2
Sex Crimes	0	1	19	12
Alarms	32	41	275	234
Ordinance Cases Total	40	89	687	1152



ONTARIO POLICE DEPARTMENT

444 SW 4TH STREET, ONTARIO, OR 97914

OFFICE: (541) 889-7684 DISPATCH: (541) 473-5125 FAX: (541) 889-3026

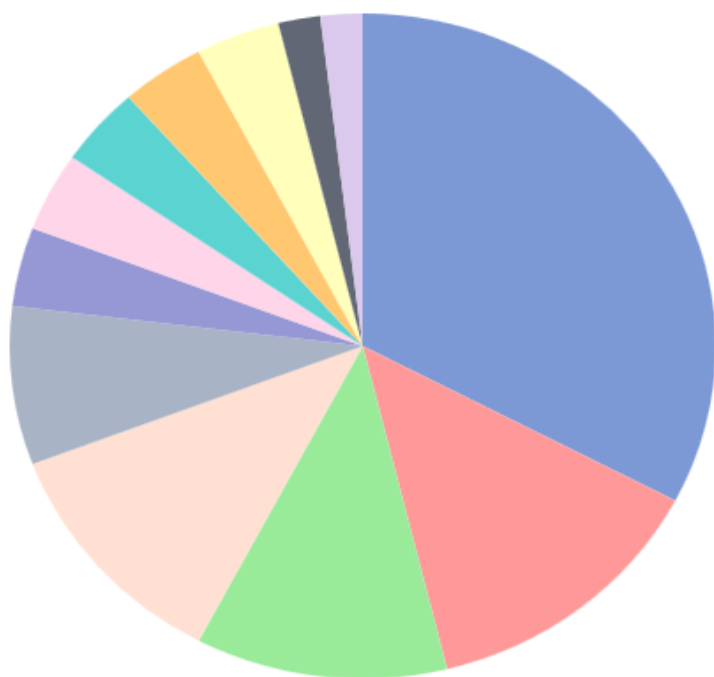
Code Enforcement Stats SEPTEMBER 2018

Open Date From:

09/01/2018

Open Date To:

09/30/2018



Violations by Violation Type		
Parking over 72 hours ? Abandoned Vehicle	17	32.7%
Dog running at large	7	13.5%
Noxious Weeds	6	11.5%
Weeds	6	11.5%
Debris	4	7.7%
Derelict Structure Registration	2	3.8%
Derelict Structures	2	3.8%
Outdoor Storage of Other Nontrash Items	2	3.8%
Outside storage of personal property	2	3.8%
Storage of Motor Vehicles or Parts	2	3.8%
Animal Abuse I	1	1.9%
Animal Complaint	1	1.9%

Total Violations	52
Total Cases	40
Garbage	4
Dogs running at large	7
Dogs taken to Ani-Care	4
Junk	4

SPECIAL MEETING

MALHEUR COUNTY COURT MINUTES

Special Meeting of the Nyssa City Planning Commission, Nyssa City Council, Malheur County Planning Commission, and Malheur County Court

SEPTEMBER 25, 2018

The Quasi-Judicial Land Use hearing was held at the Nyssa High School, 824 Adrian Boulevard, Nyssa, Oregon on September 25, 2018. Notice of the hearing was published in the Argus Observer, posted on the Malheur County Website, and posted on the Malheur County Courthouse public bulletin board.

MEETING OPENING:

Stephanie Williams – I'm going to act as a moderator tonight because we have four governing bodies that are meeting. It is seven o'clock and so it is time to start our hearings. What we will be doing tonight is creating one record in front of all of you. Each body will take their own action at the end. I have a sheet that should be in front of you, it's called the quasi-judicial land use hearing procedure and this is what we're going to follow right now.

What we'd like to note for the record is that the Nyssa City Planning Commission is here, the Nyssa City Council, the Malheur County Planning Commission and the Malheur County Court is here. Each chair needs to open the meeting and take a roll call attendance. We'd like to start under our joint management agreement with the City of Nyssa and Malheur County. We defer to the City, so the City will go first. What I'd like is for the Chair of the Nyssa Planning Commission to call the meeting to order and to take a roll call of attendance and establish a quorum. We'll start with the Nyssa Planning Commission, and then we'll go to the Nyssa City Council, and then we'll go to the Malheur Planning Commission and then the Malheur County Court.

Nyssa Planning Commission

Chairman Kathy Flanders called the meeting to order at 7:06 p.m.

Nyssa Planning Commission Members Present:

Kathy Flanders, Chairman

Richard Beck

Amy Martinez

Victoria Ramirez

Doug Dewar

Robert Quick

Harry Flock

There were no abstentions from the Commission. There were no conflicts from any Commission members. There were no biases from any Commission members to disclose. There was no ex parte contact to report by Commission members. There were no objections to the jurisdiction of anyone on the Commission.

Nyssa City Council

Mayor Ross Ballard called the meeting to order.

Nyssa City Council Members Present:

Ross Ballard, Mayor

Betty Holcomb

Robert Deleon

Patricia Brewer

Pat Oliver

Diego Castellanoz

Susan Walker

There were no abstentions from the Council. There were no conflicts from any Council members. There were no biases from any Council members to disclose. There was a site visit from Mayor Ballard. There were no objections to the jurisdiction of anyone on the Council.

Malheur County Planning Commission

Chairman Kathy Clarich called the meeting to order.

Malheur County Planning Commission Members Present:

Kathy Clarich, Chairman

Gary Pearson

Frank Ausman

Linda Simmons

John Faw

Teresa Ballard

Ed Anthony

There were no abstentions from the Commission. There were no conflicts from any Commission members. There were no biases from any Commission members to disclose. There were site visits by Commission members Kathy Clarich, Teresa Ballard and Gary Pearson. There were no objections to the jurisdiction of anyone on the Commission.

Malheur County Court

Judge Joyce called the meeting to order.

Malheur County Court Members Present:

Dan Joyce, County Judge

Don Hodge, Commissioner

Larry Wilson, Commissioner

There were no abstentions from the County Court. There were no conflicts from any County Court members. There were no biases from any County Court members to disclose. There was a site visit from Commissioner Larry Wilson. There were no objections to the jurisdiction of anyone on the County Court.

Stephanie Williams –The procedure is that you, we prefer, that you come to the podium to speak. We are going to try to limit testimony to 3-5 minutes and we have sign-up sheets, the green sheets. If you haven't filled out a green sheet and would like to testify, we would appreciate it if you would.

There's a few things that, when we do a legislative hearing in a quasi-judicial format, that we have to read into the record. It's required under Oregon law. Those are points 1-10 on the handout that I gave you.

There is a general time limit for testimony of 3 minutes. A spokesperson on behalf of a group is allowed 5 minutes. The applicant's initial presentation will be 20 minutes; with a rebuttal of 10 minutes.

- All testimony and questions shall be directed to or through the particular chair of the body you wish to address. Testimony and questions should not be directed to staff or directly to witnesses.
- So now we need to go through our conflict of interest, biased checks and conflict of interest checks. We need to do that not collectively but one body at a time. (Listed above with each parties roll call)
- Land use statements for the record: Oregon land use law requires several items be read into the record at the beginning of this hearing.

The applicable substantive criteria upon which the application will be decided are found in Oregon State laws and rules as well as local code provisions, which are specifically set out in the Staff Report and include: Statewide Planning Goals 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 and their respective administrative rules (Division 24), the Joint Management Agreement between Malheur County and City of Nyssa sections 3.060 and 3.070, Malheur County Code 6-10-7 and Nyssa City Code 9-4F. Testimony, arguments, and evidence must be directed toward these approval criteria or other criteria in the Malheur County or Nyssa Comprehensive Plan or the Malheur County or Nyssa Code that the speaker believes to apply to the decision.

The failure of anyone to raise an issue accompanied by statements or evidence sufficient to afford the decision makers and the parties the opportunity to respond to the issue will preclude appeal on that issue.

An issue that may be the basis of an appeal must be raised no later than the close of the record. Such issues must be raised and accompanied by statements or evidence sufficient to afford the decision makers and the parties an adequate opportunity to respond to each issue.

The failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the decision makers to respond to the issue precludes an appeal or an action for damages to circuit court.

Order of Proceeding: The applicant, which is the City of Nyssa, will be represented by Anderson Perry and Greg Smith, Malheur County Economic Director. They will be allocated up to 20 minutes for initial applicant presentation. The applicant may also present up to 10 minutes for final rebuttal. All others wishing to testify will be given 3 minutes each or 5 minutes on behalf of a group. The order of the testimony is as follows:

We will hear a staff report from Eric Evans, Malheur County Planning Director. The staff report will be presented on behalf Malheur County and the City of Nyssa.

1. Applicant testimony.
2. Testimony in favor or proponents.
3. Testimony in opposition.
4. Neutral testimony.
5. Public agency testimony.
6. Staff comments.
7. Applicant/proponent rebuttal.
8. Opponent rebuttal, which is at the discretion of the Malheur County code.
9. Each body will then close the Public Hearing – no testimony can be heard after this point.
10. If a continuance is requested or there is a request to leave the record open, it must be granted. I spoke to my court and the City Attorney for Nyssa, we both agree that in the event of a continuance we prefer a continuance rather than leaving the record open for 7 days.
11. Each body will deliberate.

Because this is a legislative action the Planning Commission for the City of Nyssa will make a recommendation to the City Council. Then the Nyssa City Council will then vote by ordinance and adopts findings and conclusions. Next, the Malheur County Planning Commission will make a recommendation to the Malheur County Court and it will be the Malheur County Court that actually adopts an ordinance and a findings document.

Are there any questions or concerns on the procedures from the governing bodies?

We'll get started with the staff report.

Staff Report:

Eric Evans – This will be the staff report for both bodies, Nyssa and Malheur County.

Public Notice for this meeting appeared in the Argus on September 4 of this year. Also, the Argus has published numerous articles and has had numerous media articles published as well, one was September 19th. I know the Malheur Enterprise also had a couple articles as well. Notice to the Oregon Department of Land Conservation and Development was submitted on August 21st of this year and was amended on September 18th to include the facts, findings and conclusions submitted by the applicant.

This proposed action is legislative, as she stated, but we will be following the quasi-judicial format. The proposal is to add 358 acres of land from Malheur County Exclusive Farm Use and Heavy Industrial to Nyssa Urban Growth Area-Industrial to accommodate the Treasure Valley Reload Center. The proposed land is Township 19 South, Range 47 East, Section 17 Tax Lot 100 (which is 290.35 acres of the EFU) and Township 19 South, Range 47 East, Section 20 Tax Lot 201 (which is 67.7 acres of heavy industrial). The proposed land is currently adjacent to the Nyssa UGB. Maps are available at the entrance and are included in the packets that should be with all the entities. The criteria for the proposed amendment and zone change are, as Stephanie said, listed in the Malheur Code Title 6, Chapter 10, Section 7, the Joint Management Agreement between Nyssa and Malheur County Sections 3.060 – 3.070, Statewide Planning Goals 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14 and the respective administrative rules and Nyssa City Code 9-4F.

Also, for the record, my office received one letter from public agencies. The first letter was dated September 10th from John Jinings, with the Oregon DLCD (Department of Land Conservation and Development) and this will be marked Exhibit 1. I believe it is included in your guys stuff as well.

An additional letter of support was received from State Representative Lynn Findley. This will be marked as Exhibit 2, for the record.

The last letter of support we received today and I believe it's going to be read for the record later, is a letter of support from Kit Kamo. That's going to be marked as Exhibit 4.

We also received a letter from Thousand Friends of Oregon, it was a mixture, they want to support us they just have some questions that need to be answered. That's going to be Exhibit 3.

Thank you.

Larry Wilson – Excuse me. Exhibit 3, I think it was, you said from Jon Jinings.

Eric Evans – Exhibit 1, from Jon Jinings?

Larry Wilson – Okay, I thought you said 3.

Eric Evans – Jon Jinings was number 1. Number 2 was from Lynn Findley.

Larry Wilson – Got it, okay. I saw your name at the top and thought it was coming from you.

Kathy Clarich – Did you say we have one from Kit Kamo?

Eric Evans – The one from Kit Kamo was actually handed to us up front. I didn't put it in the staff report and mark it as an exhibit but she's going to read it on the record to you guys.

Applicant: City of Nyssa, 301 Main Street, Nyssa, Oregon 97913.

Representative: Greg Smith and Brad Baird from Anderson Perry & Associates

Applicant Testimony:

Greg Smith – Good evening. My name is Greg Smith. I am the county's economic director. As we begin I need to make sure I declare potential conflicts of interest. I will share with you that I serve in the Oregon House of Representatives, representing District 57. I sure as heck hope I wasn't the one who voted "Aye" on that list of requirements you all had to check off earlier this evening.

The reason I'm here is that I want to share with you what the project is, what we're trying to accomplish and then address any questions or concerns that you might have. I'll begin by giving a little bit of history, go into detail as to where we are today and then I'll actually ask Brad Baird, the President of Anderson Perry, to discuss the engineering with you.

During the 2017 legislative session Senator (then Representative) Cliff Bentz was successful in obtaining 26 million dollars to develop an (INAUDIBLE) facility for the Treasure Valley. Governor Brown, about a year ago, came out and signed house bill 2017. We entered into an intergovernmental agreement with the Oregon Department of Transportation and we began the analysis, the pre-analysis that goes with a project of this nature. That included doing a feasibility study. We retained a prominent Economic Development firm called Eco Northwest. They are located in Boise, Portland, Seattle, and in the Willamette Valley. In that study they (INAUDIBLE) with local shippers and packers, they talked with folks in the industry, they talked to retail businesses, they talked with other commercial users. When their analysis was completed the word was the economics of this facility makes sense. Simultaneous to the Eco Northwest study, we had been engaging in conversations with Union Pacific Railroad. As you folks know, the location we're looking at is on the Union Pacific mainline and one of the requirements in order to obtain the 26 million dollars is you must have a letter of support from Union Pacific. I received word this morning that letter has been approved in Omaha. Tomorrow morning we will have a signed copy and that will be available for public record, so that's the second criteria. The third is you have to have available land to accommodate both rail activity and a reload facility. What I can share with you is, we looked at 5-6 locations throughout the entire county and our criteria included; one, it had to be on the Union Pacific mainline which is just common sense, second, it had to be large enough in size to be able to accommodate industrial activity, three, we wanted to make sure that we did everything we could to keep it out of neighborhoods, to keep it away from the city to make sure that those impacts that come with industrial development could be mitigated through distance. So we believe that we've accomplished that. It had to have access to adequate utilities; water, sewer, power, and hopefully fiber. We were able to work closely with the City of Nyssa and City Council. I'd share with you that you have an excellent staff. Jim and his team have done a great job working with us. We believe we have been able to address the issue of adequate water and sewer. Then finally we had to take a look at transportation patterns. How can we make sure that trucks can come in, unload their commodities, and leave? In a moment Brad will share with you what our plans are there.

There have been several challenges with this project. The biggest one has been managing expectation. There's a lot of work that goes into building a new industrial park. There's a lot of work that goes into building a reload facility. What I can share with you is, as of today, we're on schedule and we're on budget. What that means is, on Thursday we will be submitting this information, by our deadline, to the Oregon Department of Transportation for them to review. Within these documents - within these folders are environmental assessments, cultural assessments, wetland assessments, economic analysis, financial analysis and a lot more. They are available for public review. If anyone would like to go through these feel free to get a hold of me. For the media, we will be making sure you get copies of these.

The last criteria is we had to make sure the land is zoned industrial for outright use and that's why we're here this evening, to have this conversation. What we're hoping to do this evening is to create an open record that shares with you what our plans are and again, address any questions.

I'll leave this with you as I turn this over to Brad, one of the things that's neat about this project is the Oregon legislature, when they allocated these dollars they did it without debt. There is no debt service here. So, we're going to be able to take this project and grow it into the future without being leveraged by interest expense and that gives us a huge competitive advantage. I would share with you that we are getting national recognition. I have had journalists from the New York Times, from the Washington Post, from the Oregonian, the Seattle papers and papers in Dallas, Texas contacting us saying, 'What's going on in Malheur County? What are you folks building?' all with a sense of enthusiasm. It's pretty exciting to see the county getting national recognition in a positive way. A couple of last thoughts for you, there is going to be good job creation that is going to come with this facility. Based upon a phased-in approach we anticipate at full build out there could be close to 80 jobs created as a result of this facility. Again, that would be at full build out. We're going to have to do this in phases. I have to share with you, 26 million dollars is a lot of money but trying to build a project of this nature takes every single penny to complete and the reality is we're going to need additional dollars in the future to handle expansion based upon the need that our economic analysis demonstrated. I'm going to leave it there. I'm going to ask Brad to share with you the engineering and then, Judge and Mayor, when it's appropriate you let me know and I will answer any questions.

Brad Baird – Thank you Greg. Again, I'm Brad Baird with Anderson Perry & Associates. Our role in the project is to complete the initial due diligence work and preliminary engineering work just to make sure that the site is suitable for what the project proposes. So what I was going to talk about briefly tonight is all that work that was completed. Give you an idea of what was done as well as what conclusions came of it. You have in front of you two figures, the only two figures I want to talk about with you and that's the one that shows the initial site layout and then also this one with transportation options. So if we start on the site, a lot of the due diligence work is completed for the Zone D property, the property in question. As Greg mentioned...

Panel Member – You mentioned Figure 1 and 2.

Brad Baird – Actually they're both Figure 1 because they're in different sections but these two figures here show the site layout with anticipated future expansion and then the one that shows the 3 different transportation routes into the site with the red arrows.

The due diligence work that was completed on the site included several things; I'll go through them real quickly. The first one was an environmental site assessment. If any of you are familiar with that, you look at the environmental history of the site, all the regulatory records, interviews, anything you can find in the record to see if the site could potentially be contaminated or have any kind of water/soil contamination that would be detrimental to development. A standard phase 1 environmental site assessment was completed and little to no risk was found. There was one potential corner that could have maybe been impacted from a neighboring spill but the site looks real clear from an environmental perspective. So there's nothing impeding future development from past environmental conditions on the property.

The next assessment included a wetland delineation. Now as you very well know, if you're familiar with the site, there are definitely wetlands on the property. A total of about 22 – 23 acres of wetlands exist on that Zone D property, as we'll show here in a minute with the site layout. We laid out the site to avoid those as much as possible. Also, if they are impacted, which they will be by rail, state law generally requires you to mitigate that 1 ½ acres to 1. Meaning if you impact an acre you have to make an acre and a half of wetland somewhere else. That's in our project plan to do just that, to make sure that good environmental stewardship of the property is completed as part of the project. We're well aware of where the wetlands are. That's been submitted to the Division of State Lands to review and concur with so that's in process as we speak as well.

The third thing we did was a geotechnical evaluation. We went out and excavated 12 test pits all around the property and then had the soil logged and analyzed by a geotechnical engineer. We wanted to make sure there wasn't a condition on the property that precluded rail spurs or building the building or anything of that nature. Based on the results of the initial geotechnical evaluation, there are pretty standard conditions on the site that will allow the building of the rail and roads as proposed. So there isn't anything from a geotechnical stand point which would prohibit development.

The fourth thing we did, we did a cultural resources evaluation. Which is where a registered professional archeologist comes out and actually walks the property, does historical research in the database that only archeologists can reach and make sure there aren't any archeological resources that are known out there that could prohibit development. Based on that review, no known archeological items are on the site that would preclude development.

Now, after all those due diligence checks, it looks like the site is just fine for development. We also completed a lot of preliminary engineering. That is this map here that shows the site layout. This is where we wanted to make sure that the site would work for all the different requirements for the reload facility and the railroad. One of the biggest conditions that ended up having the site be the primary site that's selected is it's frontage to the rail line. If you look at this figure you can see that the rail spur takes off from the southeast corner (INAUDIBLE) site. The rail spur adjacent to the railroad extends north across Gem Avenue up in the railroad right-of-way quite a ways and that's how the project is able to achieve almost 7 thousand feet of adjacent spur which can accommodate an entire unit train. So this site works because Gem Avenue to the north is private crossing and if it was public that would have been problematic. The combination of the private crossing and the 7 thousand feet of frontage is one of the, well actually that is the main requirement for UPRR for this site to work. RailPros completed the rail layout, we just superimposed it on this figure and you can see from where the rail spurs located, it circles out to avoid the wetlands and then heads north towards Gem Avenue. You can see that the reload structure is located just west of the rail spur with a parking lot and road into that facility. One important factor that the project needs to include is the ability to expand in the future and if you see with the way the rail spurs were laid out, the project will be able to add an additional future reload buildings on both sides of the rail spur and if you count them up there, there's about 7 times the room for additional buildings after this initial one is built. The site also includes a primary access road shown in the bottom center figure and a truck scale facility. The intent here was to just lay out the access in a manner that would allow for future use of the site all around one common access road.

The water and sewer will be extended from the City of Nyssa. The City of Nyssa's engineer, Doug Argo with Eco Engineers, figure out the water and sewer routing and expenses and helped with that portion of the utilities. Water and sewer can be extended pretty much from Nyssa straight up Arcadia Avenue to the site.

One of the last engineering items was access, if you go to this figure, which shows the 3 red routes. One of the issues is how to efficiently get a semi-truck to the site and there's obviously 3 potential ways; one of them was up on Gem Avenue, one is clear down on Columbia and the third one would be straight in off of the highway with a new road. What we did is we map with 4 representatives of ODOT region 5 in La Grande; Craig Sipp, (INAUDIBLE), Ken Patterson and Don Fine. We got all of their opinions because it's their road, their system; they're very familiar with the area. With the 3 alternatives, ODOT prefers option 1 if it's feasible monetarily for the project. If you look at those 3 options, options 3 and 1 on the northern end require modifications to Highway 20, option 2 doesn't but it's the furthest away from the site. Option 3 there's a very difficult intersection at Highway 20 and Gem that would require a lot of modifications that would impact residences. Option 1 is by far the cleanest option for accessing the site but also is not adjacent to any residences, which is nice. The truck traffic will use Highway 20 and then be able to use the new road free from being adjacent to any residences and shoot right into the site, so that is the preferred option that ODOT desired and one that we are proceeding with for truck access. From a transportation perspective we've taken an initial look at traffic counts on Highway 20 and compared it to the estimated increase in traffic, truck flow (things of that nature), reviewed a 2014 transportation study; the situation appears the same that the area and transportation system can handle adequately the additional anticipated truck traffic from this project. It warrants verification, we'll do additional analysis, but all the initial analysis shows that this system will handle it.

I think that's it from an engineering perspective. We've looked at the site awfully hard and tried to figure out anything that could catch us in development and I think we have a good preliminary engineering layout that we can proceed with design.

Greg Smith – So very quickly, I would share with you that we began our initial work, that's bringing us all together this evening, to request that the entire scope of the land be considered. I would share with you that I personally believe that's the best option. I would share with you that the Department of State Lands met with me yesterday and shared with us that they believe there's a better alternative and that would include taking approximately 120 acres and having that land rezoned and taking the remaining portion and putting it into what's called an urban reserve that would make the land available for development in the future as activity warranted. So they've shared with us they believe that is a better option. Again, I would share with you and obviously I'm going to follow the dictates of all of you here this evening but we have an opportunity to develop an industrial park and my original intent

was to ask for the full amount of land to be rezoned.

One other thing I do want to share with you in the interest of complete transparency, this morning I met with Mary Kyle, she's the executive director of 1000 Friends of Oregon, she wanted to share with you that she supports the projects, she supports the concept, she supports the location but she did also want to be a part of the conversation in order for 1000 Friends to continue to be a part of the conversation they needed to submit a letter of their thoughts, you'll see that's part of the record that was mentioned earlier. Again, I want you to know that I met with her personally. I've actually met with her now 5 times in person and 1000 Friends is looking to figure out how to make this project work. It's not what I was hoping for but that's what we have. I just wanted to make sure in the interest of transparency that I share that with you.

Stephanie Williams – Usually what we do is we wait for all the testimony to come in and then we go to the board for questions. Is that what you prefer, that we just go ahead and run through all the proponent testimony, opponent testimony, public agency testimony and then we open it up for questions from the governing body to particular people that testified? That's usually how we run the Malheur Planning Commission. Okay, so we'll do that.

Proponent Testimony:

Kit Kamo – 650 College Boulevard, Ontario, Oregon 97914, representing the Snake River Economic Development Alliance.

Kit Kamo – Good evening Judge, Mayor, Commissioners, Council members and Planning and Zoning Commission members. My name is Kit Kamo. I'm with the Snake River Economic Development Alliance. It's a regional organization that covers 3 counties and 2 states, one of those counties is Malheur County, our county here.

We are pleased to support this land use request. The organization, my organization is a private-public partnership responsible for helping to recruit new business, higher paying jobs and investment to the region as well as assisting existing businesses with expansion efforts. Our economic well-being is enhanced by businesses either locating here or local businesses growing here.

In the past 12 months, our organization has received an average of 2 business expansions and/or recruitment leads request per month that required access to rail services. The need for a reload center continues to expand. We have been given this unique opportunity to grow and stabilize our local and regional economy by building the Treasure Valley Reload Center.

Having enough correctly zoned land is a critical component of this project. It is necessary that we have both the land availability and the required transportation infrastructure that meet our industries current and future needs for the success of our businesses and for economic stability here in the region.

Therefore, Snake River Economic Development Alliance is in full support of the proposed actions to add 358 acres of land to the Nyssa UGA and the rezoning of that land to accommodate the Treasure Valley Reload Center.

Thank you very much and I'm willing to answer questions.

Kathy Clarich – Stephanie, do you want us to ask questions when they get done?

Stephanie Williams – It's up to you. Do you prefer to do that?

Kathy Clarich – The only question I have for you, Kit, is we've heard this same song and dance before that we have people calling all the time and they need this ground, they need this and they need that. We did that in Ontario, we went ahead and gave out, let you go ahead and expand because you had a data center coming in and I can't remember what else. None of it comes to fruition. There's always an excuse and that was considered an emergency to get it done. Are you telling us that these firms that you're getting every single month, that they're really going to do it or are they just looking to see what we have?

Kit Kamo – First of all, yes, that's one of the things the 200 acres in Ontario... there's been a lot of companies that have come and looked at that land. Interests from the companies are looking for rail access. There's a juice company currently looking, it's looking throughout the Pacific Northwest, they wanted rail access. There's a mining company that really was interested in the Onion industry hurrying up and get this started so they could jump in there and use the rail access as well. Those are the kinds of types of companies. Some of those companies are actually here already and they just need to expand to use the facility. In answer to your question, we get a lot of requests for land or looking to see what's here. Is there a building for a company? But we're not the only place people are looking. The opportunity for us to have a reload facility here is going to affect all of the rail needing companies from here clear to (I'm guessing) the Twin Falls area. Idaho is seriously looking at trying to figure out how to get more of their commodities down the rail as well and Nyssa sits as a perfect location, even as far away as that. So I can't guarantee that all 24 of the contacts I've had would come here because they've also looked at other states and other areas. But I think with that much interest we have a wonderful opportunity to follow up and get something going. Like Greg mentioned, you're getting recognition from a lot of different areas across the United States and I know in the last couple months a couple of the calls I received is, 'hey, we heard you're putting in a reload facility, we want to know when we can come and look at it, we want to know when it's done'. That's the best answer I can give you. I can't guarantee that they will come.

Kathy Clarich – Okay, thank you.

Larry Wilson – Do you think that, to me it seems like there's a vast difference besides saying, here's a 200 acre piece of dirt, envision what you can do with it versus property that is planned out, going in basically debt free, we have buildings and stuff for people to use. Do you think that would make your... wouldn't that make your job a lot easier.

Kit Kamo – Absolutely.

Larry Wilson – I mean, you're not going to capture them all. I've worked with you and the county for 40 years on economic development but it seems to me like just saying 'envision yourself what you could do' and we've never had the ability to do it.

Kit Kamo – That’s true.

Larry Wilson – Do you think it would help you?

Kit Kamo – Yes, absolutely. It’s one thing to say ‘I have 200 acres available or there’s 100 acres by Vale available’ but there’s still farms and the infrastructure is not to them. As the engineer explained, now you have an opportunity to bring the infrastructure to a piece of property so it’s more like a plug and play, where somebody can come in and say ‘oh I can actually begin building or move into a building here’ that’s a good point. That’s going to make a huge difference. It’s very costly for a company to come and try to put the infrastructure into a farm piece of ground, even if it’s close to a city or community, so yes.

Any other questions? Thank you so much.

Ted Iverson – 1325 Adrian Boulevard, Nyssa, Oregon 97913.

Ted Iverson – Hi, I’m Ted Iverson. I’m just representing myself and I’m grateful to be here. Just a couple of short comments. I appreciate all of you and the things that are happening and the things that are occurring. I think this is a good move for Nyssa. It brings an opportunity for us and yes, an opportunity that we have to look closely at to make sure that we are executing on it properly. To that end, as has already been mentioned with managing expectations, it seems that it would be appropriate to put together a very thorough communication plan. As representatives of the public, keeping the public aligned and informed seems to be key and I’m sure that our media resources are happy to help with that communication if we feed them properly.

The other thing I wanted to offer, you’re going to have a bunch of supporting industries with this facility and while we look at the facility going in, the supporting industries should also be considered. So when we talk about industrial parks and development beyond in the facility we should be looking at those additional supporting industries and the opportunities they would bring to us as well. To that end, there are a number of things that are contained within Oregon State law that make industrial business difficult and we’ve seen the mass exodus of many manufacturing and industrial type organizations from the state because of that. We need to continue to seek exemptions to those laws that make our area more attractive because when we have land available and is properly shown but we compete with other states that are more favorable toward business we lose those opportunities. So my admonition is that as representatives you continue to pursue exemptions that make us more attractive than some of those other locations might be. That’s my piece.

Pete Morgan – 3720 Highway 95, Parma, Idaho 83660.

Pete Morgan – I’m just representing myself. My family owns property about ½ mile of this site, on your map where it says US Highway 20/26. I’m also a Parma resident. I’m on the Payette County Planning and Zoning Commission but I don’t represent them tonight. I’m in favor of this. It is good for the agricultural economy. I’ve live on the Idaho side of the river so Idaho and Payette County also promotes agriculture in their planning and zoning so it goes along with the favorable recommendation to amend the urban growth and zone change.

No Opponent Testimony

Neutral Testimony:

Jessica Hiatt – 3394 Arcadia, Nyssa, Oregon 97913

Jessica Hiatt – So my name is Jessica Hiatt. If you look on your map and look at Tax Lot 100 you can see there is a little triangular cut out on the corner of Gem and Arcadia, that’s our 4 1/3 acres. We’ve lived there for 22 years. We just found out about this public meeting 2 days ago so I would echo what Mr. Iverson said, that it would be good to keep the public informed. The other neighbor of ours that is going to be affected by this only knew about this hearing because I messaged her on Facebook, so I think communication would be great with those of us who live close by. I do think this facility would be a boon to the economy. 80 jobs around Nyssa, that’s huge. Personally we’re worried about the truck traffic. Option 1, cutting that road in there, that’s going to leave both Cooks and us and Deleon’s out of all the bad traffic, so I guess that’s the end of my neutral position. But I would like to put a face to a property owner that it’s going to affect.

Thank you.

Victoria Ramirez – How did you hear about it? How did you finally hear about it (the meeting)?

Jessica Hiatt – Because Mr. Merritt came and put a notice in my husbands (INAUDIBLE) shop two days ago.

Victoria Ramirez – And suggestions for the best way to find out or hear about it?

Jessica Hiatt – I don’t know. We don’t have a subscription to either paper, so I don’t know.

Stephanie Williams – Well now that we have your address county staff will give you notice Mrs. Hiatt.

Jessica Hiatt – When they put a cell phone tower down the road from us, you know that had nothing to do with us, we got all sorts of notices in the mail about that and yet this has been this huge major project and we have received nothing about it other than what we’ve seen in the paper.

Stephanie Williams – I just want to follow up with what Mrs. Hiatt said. The Malheur County code says that individual notice is not required for a legislative land use action. It is required for quasi-judicial but not for legislative so we did not send individual notice out to land owners. We advertised in the paper and the media but now that we do have an address for her we will be sending individual notice out.

Jessica Hiatt – I think that Arlo and Cindy Cook would appreciate a notice sent also.

Stephanie Williams – Okay, if they signed in. Did you sign in? If you signed in and we have your address we’ll start sending you individual notice.

Audience Member – We're directly across from the thing on Arcadia, where Gamble Island and Arcadia intersect.

Stephanie Williams – The Cooks, they said they're directly across from Gamble Island.

No Public Agency Testimony

Stephanie Williams – Usually we do staff comments at this point but what I think we'll do is go right back to the applicant so that you can start asking questions of the applicant. There won't be any opponent rebuttal because there was no testimony in opposition.

Greg Smith – Judge and Mayor, Members of the Committee, the issue of communication I think is dead on. I think our office can do a much better job of communicating messages. I would share for the public my personal cell phone is (541) 377-0000, at any time that anyone has any questions or concerns please call me directly. I'm more than, 24/7, to answer any questions that you may have. The direction the County Court has given me is to make this a project that everyone feels good about so I will come and visit, if that's alright, and we can walk through the project specifically and anything we can do to help mitigate to make it a more pleasant experience, we'll do what we can.

Linda Simmons – When and hopefully if this is all approved, do you have an estimated timeline of when we can begin?

Greg Smith – Excellent question. The question before is, what's our timeline for beginning construction? So I would share with you that on Thursday, the 27th, is our deadline for submittal. That information that we shared with you, we anticipate the Oregon Department of Transportation will take 60-90 days to review this information and to have the commission approve the work that we submitted. I can share with you in our pre-application it was accepted without any conditions. I'm sure on this that they will have certain questions that we'll need to address. Within 60-90 days we believe we will have concurrence. From there they will take our contract, that we currently have with them, they will modify that contract and at that point they'll release the additional funds to begin proceeding forward. We will then move into final design on the building, the roads, all of that and we must begin construction by January 1, 2020, but there's no doubt in my mind that we're moving at much faster pace than that. As soon as we get word from ODOT we are moving forward.

Linda Simmons – That was my other question, because I sat on Southeast Area Commission on Transportation (I'm not doing that anymore), I was delighted to see the additional road. Is that in your proposal or in those dollars, is that road there?

Greg Smith – So part of what we're having to do is phase our project. Again, 26 million dollars is a lot of money but when you start building reload facilities and rail lines and everything else, 26 million goes very quickly. So one of the things we'll be doing is sitting down with the board of the development group that's putting this together to prioritize those activities. There's no doubt that we're going to have to make certain improvements to the roads but how we do that will be working with the city and our board to figure out what that is.

Linda Simmons – One of the nicest things they can do is they are absolutely soliciting projects for 2022 and to be able to have this basis to plan that far ahead, you are way ahead and it would be supported from both the Southeast and Northeast to do that, so thank you.

Greg Smith – If I might just add to that comment, I would share with you that the County Court saw an opportunity to leverage this 26 million dollars and go after additional resources. So they directed my shop to make application to what is called the build grant program. That's a federal transportation improvement grant program and with all of the design and planning that we've completed and with 26 million as a match, I feel extraordinarily confident we should be competitive in going after those federal dollars. While our application to ODOT is due on the 27th, on the 28th we begin working on that application to get it ready for submittal to the Federal Government.

Linda Simmons – Is that also true of Union Pacific, of the rail road?

Greg Smith – Yes.

Larry Wilson – Greg, I've got a couple of questions here; I'll try to separate them. The figure of 358 acres has been thrown out here a couple of times, how many acres are in the Farmers' property?

Greg Smith – 290.

MULTIPLE PEOPLE SPEAKING

Larry Wilson – What's the additional acreage? Is that the Nyssa (INAUDIBLE) property?

Stephanie Williams – No, it's the gravel pit, the sewer pit.

Don Hodge – 67 acres in that gravel pit?

Stephanie Williams – Sewer/gravel.

Larry Wilson – My question then is why were they included when it's not part of this project?

Greg Smith – It's really interesting. I've had multiple conversations Commissioner, with the Director Jim Rue, and they've shared with us that aggregate mines have a special designation under Oregon Statute and they believe now is an appropriate time for them to classify it as industrial, so it was included in the conversation for calculations, we've asked them not to include that acreage.

Larry Wilson – That was Jim Rue?

Greg Smith – Correct.

Larry Wilson – So, you made a comment and I don't know if I heard it right. You said that the Department of State Lands would now like something in the neighborhood of 120 acres?

Greg Smith – So let me be very factual Commissioner. We've held multiple meetings with state agency partners. We've shared with those state agency partners all along the process that we've been going through. While I've failed a little bit on getting word out to the public, I've tried genuinely hard to be transparent to anyone that's asked me questions, that includes the Department. About 2 weeks ago I was contacted and asked if I would have a conversation as it relates to the land request you have before you this evening. I have met with Director Rue, 10 days ago or so, and he shared with me he thought there was a better approach than the approach that I was recommending and that's what I shared with you earlier, making a request for 120 acres initially with the rest set aside in an urban reserve. The Director shared with me that he thought that that would be more acceptable to the commission rather than making a request for the full amount.

Larry Wilson – In the letter from 1000 Friends of Oregon there were several references in there and then from Jon Jinings letter, that was exhibit one and theirs was exhibit (I'm not sure what exhibit it is), the letter that just came in today, all of them mention slightly they're all for this but now they would like a little bit more findings of fact or our criteria for (I don't know how to phrase this) your criteria that we came up with to justify the – I'm going to leave out the gravel pit for a second. They want to suggest it to us but then they want to take it out, it seems kind of contradictory and I think it's public knowledge, there's been all these people on all these public tours with them and never once was any of this urban reserve or anything and we met with Jim Rue ourselves and it's never come up until just now. Do you feel like that's because we didn't do quite the – maybe we should have been just a little more thorough in our application for this? Submit a few more findings of fact or – none of them look like they're contradictory to anything we found – this is a question and maybe Grant Kitamura could answer this too but he's a chairman of the corporation. Didn't Union Pacific ask specifically for the longer the trackage we could get the better?

Greg Smith – Yes. So there's lots of questions in there. Let me share with you first the Union Pacific criteria and then I will back into the rest of the answer. It's very important to understand that within this project a unit train cannot sit on the main line, so when a train needs to stop it has to come off the main line. In order to accommodate the type of activity that we're doing we need to have 2 storage lines along with the route coming off of the main line and that's approximately 1 mile in length. The property that we're looking at barely meets that threshold but it meets it. That's a mandatory requirement of Union Pacific. Commissioner, the one thing the department shared with me is that rail can go on agriculturally zoned land and it doesn't impact that whatsoever. I strongly made the argument that you just shared.

As it relates to additional findings, I think it's very normal for an agency to want more information. I will share with you, the engineering firm we hired has done an 'a plus' job in a very tight timeline. I would share with you that the work that they had to complete was done within 2 ½ weeks because of certain internal circumstances we had to deal with. We feel prepared and I've shared this with the Director, we feel prepared to provide any additional information that is requested and we feel that we will be able to answer any and all questions that they may have.

The last thing that I will share with you, and this goes back to comments that were shared earlier in the pro section, we have received direct phone calls from businesses that are interested in locating on this site as soon as it becomes available. I have personally spoken with a person in the agricultural industry from Harney County that is looking at export for product. I have personally spoken to 2 packing companies that are very prominently known in the county that have expressed interest in locating in the facility. I have personally spoken to a small business owner that specializes in truck mechanic work who would like to be located there. And I apologize, I'm forgetting the last one or two but we have received multiple inquiries. As was also shared earlier, we do get multiple business leads and in those business leads they do ask is rail available, is it accessible for company use and having this asset will assist in those marketing efforts.

Larry Wilson – Well I guess I can't ask Grant because he didn't speak but you're on the board, the development corporation, but the same criteria was applied to all properties that were offered up for consideration.

Greg Smith – That's correct.

Larry Wilson – And the State is known that, correct? Is there 7 or 9 folks that were on the board when they were selecting the site?

Greg Smith – That's correct, 7.

Larry Wilson – 7. Was it a unanimous decision?

Greg Smith – It was.

Larry Wilson – Is the State aware of that as well?

Greg Smith – They are. Here's the issue before us, is the State concerned about – I can't speak for the State, I'm not going to speak for the State. I would share with you; we've made the request we've made. The State has contacted me and has requested that we modify our application. They believe there's a better way to do this.

Larry Wilson – The State just being LCDC?

Greg Smith – Yes.

Larry Wilson – No one else from the State has asked for that?

Greg Smith – No. As a matter of fact on the specific telephone call you're asking me about, I had the director of the Department of Transportation on the line with me and a representative from Business Oregon, the state's economic development department, and they stated that they had no opinion.

Kathy Clarich – I have a question for you then. If they're talking about taking like 120 acres, where are they talking?

Greg Smith – I'll have Brad help us with that.

Brad Baird – We actually—I was on the same call that Greg Smith was on with those agencies and upon hearing their concern we actually came up with an alternative request to try to meet that and have a map. I could pass that out right now if you'd like. It shows a 128 acre request that would include the reload facility, include future expansion area north of it and include about 40 acres south of it. It's not the full request, obviously, but it accomplishes the reload project and has some area for expansion, so this was prepared in anticipation of this possibly occurring. I'll pass it out at this time so you'll have the map that shows.

Larry Wilson – Just a follow-up to her question. If we were okay with this, what does that do for all the trackage design in here? That couldn't happen now, could it?

Brad Baird – Yes, you'll see the map when it comes. All the trackage design, the building design, all the interior roads just to get to the first building, the main access road and all the future expansion area north of the reload facility is included in this initial request, including about 40 acres south of it. So it's basically cutting the Zone D property in half and having enough area to build all the rail, all the 26 million dollars of the improvements would be completed and reducing the additional area to about 40 acres. That is shown on the map you're receiving right now.

Kathy Clarich – And that's 120 acres?

Brad Baird – It's 128 acres. Now if you really want to get down to the strict numbers they will allow you to reduce the wetland area out of that request because it's unbuildable land. There's about 22 acres of wetlands there so the real ask would be 128 minus about 22 for 106. And then Larry, back to your question about the concrete plant, it's my understanding that they also view that as undevelopable land because it's a mine, so that's why it's excluded from the acreage total. That's why they don't really count it.

Larry Wilson – So this is (INAUDIBLE) is way under the 120 even? It's what 10...

Brad Baird – Yes, it's 128 but I think they will allow the wetland area to be taken out. I think that's the case so it would be less.

Larry Wilson – I know this is a political question and maybe you guys don't want to answer it but why the last minute change from all these folks that up until just a few weeks ago were solid on board and said we'd picked the perfect site?

Greg Smith – Commissioner...

MEMBER OF THE PANEL – We can't hear you, what was your question?

Larry Wilson – My question was, up until a week or so ago everything that occurred on all these tours and stuff from LCDC people, transportation but nobody ever brought up the fact that we were asking for too much ground. In fact they praised us for taking, you know if we had to take farm ground out and it was rail dependent they were all positive that we had selected the right deal. Nobody ever questioned the site, so do you know why all of a sudden there's a question? Is it just a deferral to the letter from 1000 Friends of Oregon or something else you could tell us that we could use?

Greg Smith – Commissioner, I can actually share with you 1000 Friends of Oregon came into this part of the conversation at the very end, in the last day or so. I guess I can't speak for the department. I don't know what the rationale is. I know our papers in this county have done a very good job of covering the facility. I know we've met with multiple state agencies. We've met with the Department of Transportation and the regional managers. We think we've done everything that we needed to but in the end the department believes there's a better way to move this forward. In the end you three are my bosses and I will do what you three direct me to do. That's the question before us, how do we want to proceed?

Kathy Clarich – Does the new plan, this other plan, the 128 acre plan...

MEMBER OF THE PANEL – We can't hear you.

Kathy Clarich – The 128 acre plan, it includes all your future expansion or just for the reload facility? Is that right?

Greg Smith – Yes. It also includes a few other additional acres that we could utilize. Here's the challenge, I don't know where a future company is going to want to locate. So part of what our plan was to build an industrial park in its entirety and if you'll let me use this analogy, it's almost like a housing subdivision, where you can go onto the street and you can see each one of the lots that would be available to build your home but in this case it would be an industrial subdivision where a company could come in and look at different locations with different attributes. Based upon what the department is asking us to do, we can still do that but I would always have an asterisk next that conversation but we need to take it out of urban reserve. The department has shared with me that taking real estate out of the urban reserve is a simple process. I have others who are very skeptical. I would share with you, I'm not an expert in that and so I can't offer an opinion but those who are more knowledgeable, I think are folks we ought to listen to what they are sharing.

Victoria Ramirez – The simplicity of it – I guess my question is, if we do the smaller portion, we're going to be back here again doing this zoning to then get it into the urban growth area? If we take care of it now, considering we want this to grow, we think this is going to grow as fast as it is, I don't know that it would make sense for us to be here in 3-5 years to rezone another portion of it if we can get it taken care of today.

Greg Smith – That's an excellent question. Again, I want to be really clear, I don't speak for the department; I want to be very clear on that. Here's my assessment. My assessment is, if you proceed forward with the smaller acreage we can move forward very quickly and we can get this project going right away and have access to that property in the future subject to a process. If we chose not to we may still get this done quickly but we may not. The department is sharing with us their concern about that larger acreage and the commission approving that request. I don't know, I haven't spoken to the commission but that's what was shared with me. They believe the smaller acreage would expedite this process.

Victoria Ramirez – Are we prepared with mitigating factors if we chose to go with the larger portion?

Greg Smith – I believe if we go with the larger portion, again, one of two things will occur; either the agency will work through this and approve our request or they will not. If they do not then that would have my office take that period of time to work through a land use application process and I'm not an expert on what that length of time would be but I know it wouldn't be expedited.

Gary Pearson – Would you go ahead and purchase the entire tax lot, is that what you're saying?

Greg Smith – Yes.

Gary Pearson – And part of it goes into reserve?

Greg Smith – Correct.

Gary Pearson – But you would still own the entire tax lot?

Greg Smith – That's correct. We would continue to control it. We would continue to lease the ground for farming purposes and at a future time should an industrial opportunity arise, the way it was explained to me is we literally take it off the shelf, take it out of urban reserve and put it into industrial use.

Gary Pearson – But it would still be owned?

Greg Smith – Correct, that is correct.

Gary Pearson – The entire area that you want, you'd still have?

Greg Smith – That's correct.

Gary Pearson – Okay.

Greg Smith – It's a tough question. I know it's a tough question.

Larry Wilson – I've heard of some drawbacks. Wouldn't there be some drawbacks to owning it all? I mean, because I don't believe it's in the corporations' best interest not to get the thing developed as much as possible. You're not going to be getting any income off of it. There's some water rights issues possibly.

Greg Smith – That is correct Commissioner.

Larry Wilson – Wouldn't it, in the boards, and speaking on behalf of the corporation, wouldn't they rather have it where we can complete it as we would like?

Greg Smith – I believe that's accurate. I can't speak for the entire board. I am a board member and I think that's very accurate.

Ed Anthony – Who is on this corporation?

Greg Smith – Oh goodness, um, I will get you a full list of that. We've got Grant, Grant is our Chairman.

Ed Anthony – Who does own this corporation?

Greg Smith – This is a nonprofit 501C4 private development corporation. It's a tool that the IRS allows communities to use to do real estate development such as projects of this nature. There are several entities, I can share with you, that we've modeled this after. The Port of Morrow in Boardman, Oregon has a company called Morrow Development Corporation, in which they hold the assets that are used for economic development purposes. Linn County has an organization called AMEDC, Albany-Millersburg Economic Development Corporation, it's another 501C4. So it's a nonprofit, none of the board members make any money. Any net income can be utilized for other economic development purposes.

MEMBER OF THE PANEL – The land would be owned by the county then, correct?

Greg Smith – Eventually by the development corporation, the development corporation will do that. Part of the reason the development corporation is formed, was to take that liability off of the county. So let me be very clear on that, you keep hearing corporation, it's a nonprofit corporation the IRS allows for economic development of this nature.

Larry Wilson – Could you tell us the rest of the board members?

Greg Smith – Kay Riley, Toni Parrish, Lynn Findley, Corey Maag, John Qualls (who's with The Bank of Eastern Oregon), Jeremy Leathers. What we tried to do is make sure we had representation – the county commission wanted to make sure that representatives from each of the cities, and agriculture, and business and finance were on that committee. I think they did a very good job of having broad representation.

Larry Wilson – I think Jim Farmer is on it also.

Greg Smith – And Jim Farmer.

Kathy Clarich – My question then is, so it's owned by – it will eventually be owned by the corporation, they'll own the ground and the buildings and everything on it?

Greg Smith – Correct.

Kathy Clarich – At this point in time. Are you going to sell all these individual sites then or are you going to keep the ground that you show for individual businesses to come in? Are you going to just put buildings on it and lease them to them or how is that going to work?

Greg Smith – That's an excellent question. First I'd share with you; ultimately it would be the board's decision on how they handle real estate transactions. I believe for the most part you're going to see lease opportunities for companies that want to locate on this real estate which will create a long term revenue stream for the development corporation, money that can then be reinvested into other economic development throughout the county. Again, I don't speak for the full board but I would be very skeptical of any high speculative real estate transactions. I don't think the board is going to allow people to buy lots and hold them hoping that they can turn around and sell them to another entity. I think it's going to be real estate available for real economic development opportunities and it will be handled through primarily lease transactions.

Linda Simmons – Port of Morrow, they own all the land. Port of Morrow, this is really designed after that.

Greg Smith – That's correct.

Linda Simmons – They own the land.

Greg Smith – The only time the Port of Morrow – you're very correct. The Port of Morrow has a policy of leasing their real estate. There have been a few transactions where real estate is sold but there was an economic reason for them making that decision. But I would share with you, you are very correct; probably 96% (I'm making that number up) but a very high percentage are all lease opportunities.

Theresa Ballard – There will be a great many buildings and lots of money put into that property but what about property taxes that corporation owns that?

Greg Smith – Excellent question. So on those parcels of real estate where private economic activity occurs, property taxes will be paid and that is state statute.

Ross Ballard – When you say 'where private economic activity occurs' if you're not selling land you're developing land, you're developing a facility (INAUDIBLE). You're developing land and you're developing facilities and a non-taxable organization owns it then what type of taxes do you vacate?

Greg Smith – So I think the question is referring to what are called enterprise zones. Oregon statute allows for communities to execute what are called enterprise zones that allow for the nonpayment of property tax as an economic incentive for 3, up to 5 years. What I would share with you though is the county and cities have the ability to negotiate with companies for payment in lieu of those property taxes. So if we were to have a company locate in the industrial park, part of the conversation we would have is how are you going to be a good neighbor and what contributions may you make... how would we – let me rephrase that. What contributions would you make to be a good neighbor and how can you go about assisting in lieu of taxes should an enterprise zone allowance be granted? I could share with you, as an enterprise zone manager myself, you always want to make sure, for example, public safety is taken care of.

Ross Ballard – I'm just surprised – you know me Greg, I'm kind of dense. I'm just trying to get this so I can understand. Okay, some business comes in and they lease 100,000 square foot, you guys lease them the ground and they build a building. Is their building taxable?

Greg Smith – Yes sir.

Ross Ballard – But the dirt underneath it is not (INAUDIBLE).

Greg Smith – No it – no.

Ross Ballard – It's owned by; I'm going to call it you for...

Greg Smith – If those nonprofit assets are used for private economic purposes, a private company leases the ground, they build a building, that is taxable assets.

Ross Ballard – But if you build the building it's not taxable?

Greg Smith – If it's used for a public purpose it is not but as soon as that building is leased to a private company they have to pay property tax.

Ross Ballard – I'm just – most of us up here work for entities that (INAUDIBLE).

Greg Smith – So let me share with you...

Ross Ballard – So I'm trying to understand at what point the responsibilities we're taking on. We have the money for because it costs us money and it cost them on the outside, that's why I'm asking these questions.

Greg Smith – I'm going to use the Port of Morrow as an example; but for Ballot Measure 5 passed in the 90's, Morrow County would be walking on platinum sidewalks, the tax limitation prohibited that. But those properties, even though the real estate is owned by the Port of Morrow, those companies pay property tax and they will in Malheur County as well.

Kathy Clarich – So the transload site itself, once that building is built and the tracks are laid and everything else, that's going to be taxed?

Greg Smith – That's an excellent question, it depends on how we handle its management. One of the questions that is still unresolved, and this has been reported in the paper, is we need to find that entity or that person to operate the facility. Running a reload center is a specialty, seconds count, pennies matter. One of the things the board is going to need to consider is are we going to have an employee that will answer to the development corporation board, who will operate the facility. If the answer to that is yes, then no, the building will not be a taxable facility because it will be publicly owned. The

economic activity – this gets really complicated, I apologize. The private economic activity inside is taxable. If we choose, if the board chooses to lease the building to an entity to operate it, what we would do is enter into what's called a triple net lease. What a triple net lease means is the company would pay us a monthly rent payment, they would pay property tax, and they would pay the insurance and maintain the building. In that case, they would be responsible for its operation and we would receive a monthly check for them utilizing the asset. This is still, I want to be very clear, this is still up in the air and this is something the board will have to decide, and that's the management of the facility.

Ross Ballard – I have just another question, you know me Greg, I can't hear. You have this one photograph here, this one plot that has a reduced option with urban growth boundary on 120 acres, if you take that out, you said it's pretty much dead (INAUDIBLE) for this to go through in Salem, if I understood what was said.

Greg Smith – That was implied to me, correct.

Ross Ballard – So if that 120 acres goes out, it sails. But if we take it out and what you're proposing, with regards to this private (INAUDIBLE) entity is, let's call it selling the building sites or (INAUDIBLE), you would have to go through this whole process again to start adding these pieces back in?

Greg Smith – No, that's not accurate. What would end up happening is this original real estate would be zoned industrial. These remaining pieces would be classified, again, as urban reserve, which effectively means it's available for development but it's on the shelf at this moment until it's needed. So, it would be used for agricultural purposes until it's needed for industrial development.

Ross Ballard – So whoever came up with this idea for 120 acres, they want us – they're allowing it to be set aside to be used in the future but not part of the original development?

Greg Smith – I believe that's correct, if I understand your question correctly.

Larry Wilson – Honestly, who sets the need for additional acres? I mean if you only have 3 or 4 developments inside of this but someone wants to come in and build into a corner that's in the reserve, correct me if I'm wrong, but I don't think that's going to be very easy because I've seen, as of today, a total shift from what they said would be a breeze. They said they would support us all the way through this.

Greg Smith – Commissioner, I do not disagree with you.

Larry Wilson – I would, if they were standing right here, I would say, well you're a liar.

Greg Smith – Mr. Commissioner, I wish they were standing here right now.

Larry Wilson – They'll probably hear it on the tape but that's exactly what they've done to us. So, when would they say, oh you don't need that – I mean you need that – I can hear the whole LCDC 'well you still have some acreage in here', well if that's not where that company wants to go then we lose them to Idaho because they can go where they want to build.

Greg Smith – Mr. Commissioner, I hear you loud and clear.

Larry Wilson – Do you think it would be that easy to...

Greg Smith – Mr. Commissioner, I hear you loud and clear. I have to be very clear, I am not a land use expert and so I in no way am going to speak on behalf of the commission. With that said, I do not disagree with anything you've said.

Don Hodge – Is any of Morrow County, is any of that in reserve?

Greg Smith – Commissioner, to the best of my knowledge, no but the Port of Morrow real estate originally was deeded over from the core of engineers and so – I believe it was actually a congressional action that transferred that land during the hydro system build and then additional acreage (I don't know the exact amount) was acquired through acquisition.

Don Hodge – Do you know of any place that has a development that has reserve land now?

Greg Smith – It was shared with me, but Commissioner, I don't remember. I apologize, I'm not trying to – I just don't remember. I'm not an expert on this.

Don Hodge – I understand. The question that I wanted to find out is if there is, if they've had to go back in and ask for some of that reserve to be taken out to add to or add on, I want to know how difficult it was to get it done.

Greg Smith – You guys are about to laugh at me but I just want to share with you what was told to me. It was shared with me that if we go down this – if we go through this process that they assure us that accessing those reserve properties will be made simple. I'm just sharing with you what was told to me. I want to be very clear Commissioner, that's not usually my experience in working with agencies.

Don Hodge – To me it seems like if they are assuring you of that then in my mind let's do the 358 acres and we don't have to worry about going through that route, again sit up here 2,3,4 years from now, we could be sitting here doing this again.

Kathy Clarich – I thought you said once it when into the reserve you didn't have to come back before us.

Greg Smith – That is correct.

Kathy Clarich – So we wouldn't be sitting here again?

Greg Smith – Correct.

Don Hodge – Well depending on how easy it is to take it out of the reserve.

Larry Wilson – Greg, I think Stephanie could maybe answer this to clear my mind up. You know Ontario, they haven't been able to use any of there – they've got a big reserve south of Butler or 18th that I don't think they could really go into until they – wasn't that when that was set up? That they had to show a need to use up a huge percentage of the end that was in the urban growth boundary before they would let them go into the reserve?

Stephanie Williams – Right, that's what I think, yes.

Larry Wilson – So why would this be any different?

Stephanie Williams – I'm not sure. You know, there would have to be a separate planning and zoning application to put it in the reserve. This application doesn't do it.

Greg Smith – That's correct.

Stephanie Williams – So it would be a separate application that would come later to put the remaining into a reserve area.

Greg Smith – Correct.

Stephanie Williams – So tonight, what you can go forward with is you could make a tentative decision to adopt the findings of fact, exhibits and testimony for the 128 acres and each planning commission would recommend to their governing body to do that and then county staff, Anderson Perry, Mr. Smith would develop a better finding document for you to, the City and the County Court to adopt at a later meeting.

Larry Wilson – Couldn't the planning commissions recommend that we go for our original plan also?

Stephanie Williams – You could do that. What would happen is, we would still need to do a little better finding document and attach it to an ordinance for the governing bodies to adopt, then we have to give DLCD notice within 5 days of adoption and then they could litigate it.

Larry Wilson – They could?

Stephanie Williams – They could. Yes they could and so could 1000 Friends of Oregon, litigate our decision.

Don Hodge – But no matter what, 2 days you're taking this to ODOT?

Greg Smith – That is correct sir.

Don Hodge – So what's done up here today doesn't affect what is done in 2 days.

Greg Smith – That is correct.

PANEL DISCUSSING AMONGST THEMSELVES

Susan Walker – (INAUDIBLE) the 128 acres that they're initially putting in there is that what we would be paying for within this budget that we still have?

Greg Smith – That is correct. So really quick, I wasn't going to share this but let me share this. Again, I want to be really clear, I don't speak for the department; I just want to make sure everyone has equal information.

Don Hodge – Now the department, you're talking about the state?

Greg Smith – The State of Oregon, thank you. The department has shared with me, they are concerned about a legal challenge on the larger request. They're worried that should that larger request come before them, they will not be able to defend it, that we are making to large of a request. They're sharing with us that if we go with the smaller amount of real estate and put the rest into the reserve, that we can grab later, that if it is legally challenged they can defend that. So that's what they've shared with me on this issue. I understand the politics, trust me, I understand these politics. The question we have to ask ourselves is what's our best path?

Larry Wilson – Greg, as our economic development department, that's what I'm asking you. You're presenting this with Brad and I personally would like to say up front that you guys have done a tremendous job on this, all the way through. I really would like your opinion, and I realize this is your sole opinion, but the Governor has been over here and happy as a clam to give us the money, the House and the Senate approved it and then to think that if we don't back up they're just going to axe the project, I don't – I mean do you think that's really the way it's going to go down?

Greg Smith – Do you want to take this?

Bill Searles – My name is Bill Searles. I'm the one that developed the report in a rather hurried fashion that hopefully you have before you, outlines the criteria that you need to base a decision on, whether to approve or to reject the proposal. Let me just explain briefly, if I can, what you're being asked here to do. This process, as far as the land use decision making goes, is asking you for an exception to goal 3, which is the agricultural lands goal. It's asking you based on reasons that are outlined in the OAR Chapter 660, Division 4, that explains the rules for – no, I'm sorry it's goal 2, land use planning, there's an exceptions processes that's spelled out there. If you have reasons that are sufficient to justify removing the agricultural lands designation and changing it to something else, that is what's called taking exception. You could do it for goal 4, which is forest lands and there's some other goals that the exceptions process applies to also but we're only really concerned here about goal 3. Goal 3 only applies to the 290 acre portion because it's zoned by the county as EFU land, exclusive farm use land. The 67/68 acre parcel adjacent to the south is what, in land use planning terms, is already considered exception land. It's been taken exception to goal 3 or goal 4 or any other goal to say that the appropriate designation for this is for

aggregate use. With that particular piece of property, I don't really think that the State or even 1000 Friends has any concerns about whether that's included in the urban growth boundary or not. What they are really concerned about is goal 3 and its application to the 290 acre piece. So with the discussion that has come up today with the taking the goal exception to only a part of it, so the 120 or 128 acres, whatever is being considered here, so what I think the proposal is taking in a goal exception for that portion and not the remainder of it. Let me back up just a step here, there's 3 things that you're being asked, you're being asked for a goal exception, you're being asked to expand the urban growth boundary and then you're being asked to rezone the property from EFU to the City of Nyssa's UGB industrial zone and that would be also the case for the 68 acre piece. It's already zoned county industrial; if it's brought into the UGB they would rezone it so that it's the City's UGB industrial zone. With the urban reserve, the UGB expansion process requires you to address goal 14 and there's need factors. Why do you need this land to be brought into the urban growth boundary? I think what the discussion is sort of centering around here is that it would be a lot easier to express the need to the 125 acres to get this project going, address goal 14 in relation to the urban reserve land but you're not doing a goal exception for the urban reserve land, that would come later when you identify the need. Really, I think I understand the process clearly, for the area that would be left in urban reserve you're sort of doing half the work that needs to be done if you were to do it later, you're doing it now. I think that in order to bring that into the urban growth boundary later and be developed along with the rest of the project, that would need to come to you but the process would be much easier because by the time that the rest of the 125 acres is developed and those businesses are coming, then you could have the justification. You could say we've used up the land that we already used or are about to and we need to bring in some more to accommodate some additional development. That's I think sort of the process, in a nutshell. I think what needs to be clear here is, if you make a decision tonight that you're clear on what you are approving because, I think it was your County Counsel here was explaining that, somebody is going to have to go back and write up these findings for you to address, not only the modification to the application, instead of being the 358 acres now it's only 128 or if you include the 68 back also as far as the UGB expansion is concerned, so somebody is going to have to draft those findings for you. I think what 1000 Friends of Oregon is asking is they want to see the factual information to support the justification that was in the staff report and I think that you'll find that in these documents, you'll start to see that in these documents, which we didn't really have put all together at the time we were doing the staff report. If we get this information into the record for the project, then we'll be able to pull that information out here, put it into the findings document for you to approve and then I think you'll have a much sounder decision and much less likely to have to worry about an appeal. That's really not the route we want to go because as far as extending out the time frame for getting through this process, it will blow it apart.

Stephanie Williams – Alright, I need copies of these then for the record. We also need to put in the record the urban growth area documents from 2014. These need to be marked as an exhibit to the record.

Kathy Clarich – So we aren't going to get to see these but we're supposed to make a recommendation just based on...

Stephanie Williams – I didn't realize they were wanting to put these into the record. You don't have to, you can continue, you're option is to continue the hearing.

Larry Wilson – In your opinion, do you have the facts, the extra facts that they're looking for that justify what we originally proposed?

Bill Searles – The information that's in these documents is not 100% complete, it's probably like 95% complete.

Larry Wilson – From my former days on the planning commission when we say – we would ask – just say for example, we go with original proposal and we say you've got a few days to get the rest of that package to essentially warrant off an appeal, do you feel like with all the stuff that's been done for the last 2 ½ years, there's enough to justify it, the way we originally proposed it? I mean, you're doing it for us.

Bill Searles – The way it was originally – you're talking about the 358 acres as opposed to...

Larry Wilson – The 290 really.

Bill Searles – I'm just expressing my understanding of the administrative rules process that the Department of Land Conservation has to go through. They have to take this proposal because it's going to be more than 50 acres, taking more than 50 acres out of agricultural land, they have to take this proposal to the Land Conservation and Development Commission, which is a body like yourselves. They're appointed by the Governor but they don't get compensation and they sort of act like the planning commission for the DLCD staff. The DLCD staff has to take this to the Land Conservation and Development Commission and get them to say, yes we're okay with that. My hunch is that with the amount of land that's being requested with the justification that we have so far, I don't think they would probably feel comfortable that their commission would give it the blessing. Now whether we have enough justification here, all I can say I think, is we can give it our best try and see if it will fly. If it doesn't then it'll come back to us and we'll have to continue this process. So, it's going to come down, I think to some extent, what you're most comfortable with. Do you want something that's more sure and that we can take the bite off the apple, another bite off the apple with the next process or do you want to try and do it all at once? I guess I would kind of discuss that and what you're most comfortable with.

Larry Wilson – (INAUDIBLE) LCDC not willing to put in writing that they're going to be so cooperative with us, are they? We've dealt with LCDC for 35-40 years, I have, and they're not usually friendly. And I'd like to know why you guys think all of a sudden through a 2 ½ year process that why now the change of heart?

Brad Baird – We don't. We want 290 acres. I can speak for Greg, and myself, and Bill that the initial submittal is what we believe is justified. I think it's important to mention that it all depends on what they think. There's two courses we can go, as Bill Searles just mentioned, but they have were talking – the LCD has to believe that they can justify this request against any potential appeals. I think that there's a lot of information in here, a lot of it is from EcoNorthwest. We've shown the engineering layout for the development, there's all kinds of evidence in here that clearly shows that 290 acres can be utilized. That's a given, we all think that and that's what we believe.

Don Hodge – Well then let's vote for it.

Brad Baird – Let me back up. There's little evidence – there's not concrete evidence that the second half of the site can be developed. There are no business entities that have signed agreements that want to use all that property. It's all information we're hearing, inquiries and things that nature, so I'm

talking from their perspective. So they're going to turn around and say you don't have a signed interest in all of this, why in the world would we give you the full 290 when you don't need it? Now again, I don't agree with that, I'm just telling you what their perspective is for the purpose of this discussion. So with these two courses of action; course number 1, bring in 128 acres and LCDC or DLCD has indicated that that is a low risk path forward they believe can be readily approved. It gives you the land for the reload facility, you can spend the full 26 million dollars and you have room to expand 7 times of the reload buildings and you have 40 acres to develop. And to meet the timeline, that's the lowest risk way to go, it gives you the best path to meet the timeline for spending the 26 million dollars. Now the second course is dig in, go for all 290, of which we all believe is justified. That's a much higher risk because the DLCD has indicated that it is. They are not totally convinced that even with this information that they have everything they need to justify it. That could slow down the request because now we have the whole piece in that request and now we risk getting the reload facility built in the timely manner that we need to. So it's just a question of lower risk, 128 acres and we meet the reload project objective. Higher risk, 290 acres and we risk the reload project timeline. Now again, we all believe in 290 acres. It's not what we believe, they're the ones who are going to have to prove it, it's what they believe. Does that make sense?

Larry Wilson – Sounds great it's just that all of a sudden the entire last 2 ½ almost 3 years process has just come down to a little simple threat from LCDC, that now we don't know. In the last 10 days or so they've changed.

Brad Baird – And you are correct.

Larry Wilson – We've gone along with this. It's not like all of a sudden we came up with 290, it's them that's all of a sudden, for whatever reason – like I said before, I'll say it on the record, they've flat out lied to us.

Brad Baird – Yes they've backed up and it's put us in a position that I think has just forced you into a decision. It's risk versus timing, that's all it is.

Larry Wilson – Looks to me like this that if we'd have caved on the canyon lands issue then we'd have a canyon lands out here too.

Ross Ballard – What I'm hearing is, now you've got – I'm going to call them the bureaucrat because that's I think they are. You've got a bureaucrat that calls you on the phone and warns you, if you come down to the city park at 12 o'clock I'm going to arrest you but if tomorrow you come down, you're going to be cool. I don't like this broken up process, I can tell you right out. To change things around like this, I don't like because we may be here a year from now on the same thing, hearing the LCDC doesn't like the (INAUDIBLE).

Larry Wilson – I agree with what you're saying.

Ross Ballard – But if someone with that much power stands up and says we don't think you should do it, it's not any different than a judge over there across the river that says, Ross you better get your drinking water down (INAUDIBLE).

Larry Wilson – I agree that there's a risk involved. I know for a fact that someone, now there's no signed contract but that would be interested in a parcel if it's outside of that 128 acres. My fear is they say everything is so easily workable and my understanding when they talked with me about it, it could be a 20 million dollar facility, which would be great for the county.

Kathy Clarich – Then have them sign the paper. (INAUDIBLE)

Larry Wilson – I understand that but in the reality – my theory is, yeah if we placate them, go with this, this is my opinion, that someone wants to buy something out here or lease it and build it, a nice asset to this, I couldn't honestly say I could trust them as far as I could throw the gym roof or anybody else on that deal. They're not going to let us, until we've proved that we've used probably 90% of that other ground, and if a company like that doesn't want it they're free to go to the Idaho side where they can find what they want. That's my theory process, that they're not going to be as easy and workable with us as they say they are.

Ross Ballard – Do I trust them? Hell no. They're government. I don't even trust the City of Nyssa and I'm their mayor.

Brad Baird – I really want to say, Mr. Wilson, that I believe there's a case here for full 290 and I agree with all of you. I'm just trying to give you a potential perspective that I think I've heard from them in the meetings and their concerns and try to present this commission with the two different courses of action and the risk associated with one or the other.

Larry Wilson – It's just interesting that they come in at the last hour.

Brad Baird – Yes, I agree.

Ross Ballard – But they can defend if they want with the original against these people in this other letter, give us that and then they'll have to fight for it or they won't. I don't like coming back and having more of these meetings but (INAUDIBLE).

Kathy Clarich – Stephanie, can I ask you question? If we wanted to approve the smaller acreage, then how long before we get approved putting the rest of it into a reserve?

MEMBER OF THE PANEL – I couldn't hear the question.

Stephanie Williams – The question is, if we approve the 128 tonight how long will it take to put the rest in a reserve.

Doug Dewar – Is that declared tonight? Can we declare that that's set aside?

Stephanie Williams – No, there's no application in front of you right now to put it into a reserve area. We would have to develop an application and findings, submit 35 days' notice to the DLCD, have a public hearing like we're having now and it would be at least 90 days to get it in a – get an urban reserve created.

Ross Ballard – Brad what can you take before these people?

MULTIPLE MEMBERS OF THE PANEL AND AUDIENCE SPEAKING AT ONCE

MEMBER OF THE NYSSA CITY COUNCIL – Mr. Smith, in previous meetings you've given us guidance along the way. This is worse than the police act in DC. We're trying to get things (INAUDIBLE) and now we've got this (INAUDIBLE) government that's trying to tell us instead of doing this, if you do it this way it's not going to work right now. What do you suggest? You've given us guidance before, give us a suggestion.

Greg Smith – Here's what I would share with you, this is a crummy situation to be put in. I strongly agree with the commissioner that the department has not communicated with us correctly. I also know how the State of Oregon works. I think if there's anyone who knows those agencies and how they operate, it's me. I would share with you though, with the situation before us you should probably approve of the 128 and then go for the urban reserve and keep this process moving forward. I know that's unpopular. What I'm strongly worried about is we get this application submitted in two days and one of the requirements in here is, have you acquired real estate suitable for the development, and while we have the real estate I can't honestly answer that it would be suitable for the development but if we moved with the 128 than I believe we can honestly say that. On the other hand, I understand the culture. I get the culture in the issue before us.

Larry Wilson – If we ask for all of it, don't you think the Governor would be more likely to be on our side since she's fought for this like crazy to give it to us?

Greg Smith – I believe that would be accurate. The challenge, Commissioner, is a legal challenge.

Robert Quick – I have a question and I'm going to be another dummy. So if the City did expand the UGB, period, would you say this is going to be our urban growth boundary? Is the 128 a separate issue from that, because we're here, on our part here, to expand the urban growth boundary? Already, part of it is zoned industrial, part of it is farm. So (INAUDIBLE) can't hit the full amount as a UGB is a 128 a separate issue besides that?

Greg Smith – I'm sorry, I don't know the answer.

Ross Ballard – (INAUDIBLE). They're supposed to make the first motion involved on what the (INAUDIBLE).

Greg Smith – So again, what I can share with you is what was shared with me. I understand the need for the additional real estate. What was shared with me is the 128 acres will expedite our process; a larger real estate request faces potential challenges. As Brad shared with you, and I think it was a very good assessment, we have (INAUDIBLE) we have to measure the timing versus the risk versus the reward. This evening, that's the question before you. I'm your staff, I will implement and execute whatever you direct me to do to the best of my ability but you've asked for my opinion and I've now given it to you.

Ross Ballard – So based on what's on this piece of paper, they're supposed to make the first motion. They're supposed to make as a part of their motion is how many acres they're involving in their decision and then the Council will approve it or not.

Greg Smith – I believe that's correct.

Ross Ballard – What are they supposed to do? Are they supposed to take 128 acres off of this figure that's on this piece of paper?

Stephanie Williams – Well, I think that you can make your motion based on the map and it would be tentative. And then what we'll do is we'll need to get a legal description of the 128 and have that legal description. ...

Ross Ballard – Do you want an idea of what these people over here think about all of this so you can make your decision or are you happy with what you got?

MEMBER OF THE NYSSA PLANNING AND ZONING COMMISSION – Well part of my problem is that you take the 128 but if you look at this red map here it splits the property right down the middle so you have this small little area right down the middle of the property here. I don't even know how legally you do that and break that parcel apart to have that strip that comes into it, right in the middle of it and zone those down. So as a result, we split the parcel into three entities. Now we take the one for the 128, we've got the south part and we've got the north part because that one little section down the middle to get (INAUDIBLE) ingress/egress the property. It cuts right through there. How do we zone that? It's not just acreage; it's the descriptors and stuff in there. What do I think about it? I think we just got took to the (INAUDIBLE).

MULTIPLE MEMBERS OF THE PANEL SPEAKING AT ONCE

Larry Wilson – Greg, the other question I have is, the only thing we have in writing other than a verbal threat from Jim Rue, or whoever delivered this message, this last letter from their representative is that they're hoping that we can get the a little bit more information so we can go forward with the whole thing. They don't mention any reduction in size.

Greg Smith – Commissioner, what I can share with you is I stand ready to execute whatever decision you give me.

Larry Wilson – Well I know that but up until yesterday it there was no discussion about 120 acres.

Greg Smith – Commissioner, all I can share with you is exactly what occurred.

Larry Wilson – You think we should cave in this quickly.

Brad Baird – Larry, I think that letter came before the reduction in size.

Larry Wilson – Well it did but it's only 15 days ago and we don't have anything in writing, do we, that says that's what the state would prefer?

Brad Baird – Well this is all just based on just a meeting with them and verbal discussion. And Mr. Quick, if I could answer your question, I don't think your question got answered about the property. The area inside the red would be zoned industrial and then the remaining parcels around it would stay in EFU in the reserve.

Doug Quick – What part would be the UGB for Nyssa or the urban growth boundary? Is that the part that's zone industrial, is that the only section that's in the UGB? Will we have to put our sewer lines and follow that pattern all the way through there to come into that property? I think we have (INAUDIBLE) there too.

Brad Baird – Right, and we can answer that right here with these people.

ASSOCIATE FROM ANDERSON PERRY – Mr. Quick, only the 128 acres within the red boundary would be brought into the UGB, as I understand as I talked with Bill and the planners. The remaining area on this parcel would stay outside the UGB would be zoned EFU. The utilities could come right up Arcadia and turn in, that's what that little sliver goes out, so you can have the access road and the utilities come to the site. So this configuration still allows you to do the project but also have a smaller acreage request as well, so it achieves both goals. I hope that answers your question.

Richard Beck – Might we propose that we go ahead and close the public hearing?

Stephanie Williams – We need to make a motion.

Richard Beck – I make a motion to close the public hearing.

Stephanie Williams – There's been a motion to close the public hearing and that's from the Nyssa...

MULTIPLE MEMBERS OF THE PANEL SPEAKING AT ONCE

Ed Anthony – What happens to the water rights on this property? Yeah, well County hasn't closed our (INAUDIBLE). I want to know what happens to these water rights after you buy this property. Do they go away? Where do they go?

Greg Smith – They remit the certificates remain with the property.

Ed Anthony – But if you've got buildings on them what are they going to do with them? You've got to irrigate that ground and...

Greg Smith – Excellent question. We need to understand that the amount water rights that are under negotiation are relatively nominal and I don't have the exact acreage but it was...

Stephanie Williams – 52 acres.

Ed Anthony – This whole piece of ground is only 52 acres of water?

Greg Smith – No, the water right that we've negotiated for represents 52 acres worth of coverage on there. What we believe is that will be adequate water to provide irrigation for the vegetation on the property.

Ed Anthony – The rest of that water right on that property after it leaves, where does it go? You don't have any 52 acres; this ground is not going to be irrigated anymore, right?

Stephanie Williams – Well it will stay there because the Farmers are going to continue to farm it.

Ed Anthony – Until somebody builds on it and then where does it go?

Stephanie Williams – And that's our agreement with them.

Ed Anthony – And then where does it go after that?

Stephanie Williams – They're going to sell to us 52 acres and then what they do with the remaining, I'm not sure.

Ed Anthony – So they're going to keep water.

Greg Smith – That's correct. Folks, I would share with you, the conversation that's occurring is very natural when you're taking on a project of this size. These types of conversation that have been going on with Union Pacific, they've been going on with local producers and shippers; this is a very natural process. 26 million dollars is a lot of money and so this is another step in moving this project forward. This evening is actually a very positive step forward and we need to view it that way.

MEMBER OF THE PANEL – We have a motion to close the public hearing, doing need to second and vote?

Stephanie Williams – Yes, but that would only be for – I really advise you not to close the hearing because we're making one record among all four of us.

MEMBER OF THE PANEL – So you want us to deliberate while we're in public hearing?

Stephanie Williams – Right.

Harry Flock – It's been my experience being on council and everything since 2001, to get anything rezoned is next to impossible in this state. My

concern would be, is if we go for the 128 and it's on the shelf, a company comes in and we tell them, it's only like 3 or 4 months, maybe 6 months and we'll have to pull this in from the reserve and they'll go, 90 days and I'm already in construction on the other side of the river. That's what we have been fighting for years, well ever since Oregon made its rules up. My thought is that we go for the 358 and if we don't get it, then we don't get it because we're going to be – if we only go for 128 we're going to cripple ourselves to begin with because we won't have the space to move quickly forward. At least that's my thought.

Stephanie Williams – Do you mind if we have one more speaker, take a recess and then we'll come back and I will walk you through the procedure to close the public hearing and go into deliberations? Is that fair?

PROPONENT TESTIMONY

Grant Kitamura – 86 NW 19th Street, Ontario, Oregon 97914

Grant Kitamura – Thank you for having me this time. I'm Grant Kitamura and I serve as president of the Malheur County Board of Development Corporation. This is kind of frightening. I don't know anything about land use planning and I don't know anything about the technologies that our engineers are talking about but I will tell you what, over the past few years we've been talking a lot about our transportation needs in the onion industry. This all came about through Cliff Bentz and his reaching across the aisle to explain our situation here. This region ships 31,000 loads of onions a year, roughly. We run into transportation issues when we can't get our crops out of here. Onions are the second most valuable product in Malheur County next to beef. We run into time when we can't get our onions out and then we lose our customers to Washington and other regions that have better transportation because they have many more tracks because they are highly populated. This 26 million is, I think – the onion portion is mandated, is it not?

Greg Smith – Yes.

Grant Kitamura – It's for that but we wanted to build a big facility, a site that we could have more economic development. During all this, looking at that move and I agree with you, that was a bad move. Everything has been positive up until now from these people. But if we don't get this through, time is of the essence, for the money, for the state, for the needs of moving the product I can't help but think that we should go with it, I mean with the 128. If we blow this and we don't have it then we don't get the 26 million, we don't get our transload facility, we don't get additional transportation that we need to move our product, there are people that are going to go out of business, I'll tell you that. It's no good to raise the product, store them, pack them and then you can't ship them and that's where we are. So please consider that, the basis for this money, this part of the transportation package came from our needs and that's why you will see most of the people on this committee, on this corporation, (INAUDIBLE) because we understand shipping, we understand our needs. It's very serious. We've talked to a lot of legislators. Cliff delivered our message to Salem and he got it done, it took him a long time to do. I just don't want to blow it because we need this facility 3 years ago. We've needed for a long, long time.

Don Hodge – So you're saying, Grant, let's take a bite of the apple now and then...

Grant Kitamura – Well I would say, if we can get it through, time is of the essence.

Don Hodge – I understand.

Grant Kitamura – You can get into a battle for 6 months to a year over something like this, that's a season. That's a long time and you could lose funding. Some of the other outfits around Oregon can pick up that funding and it's gone, we'll have to wait for more money. From my understanding, time is of the essence in more than one way, not just the needs of agriculture in Malheur County but for the need to be able to be first in line for those funds. So please consider that, it's very important to a lot of people in the county here. We get stuck in battles all the time but I sure don't want to get in one that we can't win. There's maybe some other avenues, there's a new committee (INAUDIBLE) that's helping with planning, I hope. And maybe we can get the 128 and go immediately for the rest of it and you start work on that, there are other avenues. I just don't want to – Cliff Bentz told me, he said, don't mess this up and I think by getting into a fight we can't win could mess things up. I know how you guys feel and you guys know more of the ins and outs than I do but it sounds like it could just mess up the whole deal and we would end up empty handed. That's my theory.

Richard Beck – Well then I will rescind my motion to go (INAUDIBLE) continuation with the...

Stephanie Williams – Do you want a recess or do you want to close the public testimony and go into deliberation?

Larry Wilson – I don't know who this question is for but they gave a verbal negotiation for (INAUDIBLE). So what would be wrong with us going back and saying take those three parcels there on the northwest corner, it'd be about 39 acres but it would give a little more frontage on Arcadia out here, which we have very little of right here, getting in there. It makes it 160 and it still leaves them another 100 acres – 130 acres that goes into reserve. I mean, that's just a thought. Why do we have to...

Brad Baird – I'll defer to the experts on that. We're just responding with the 120, we could easily go back and say, he how about 150 or revise it.

Larry Wilson – Well I'm just thinking that instead of caving in on everything, if everybody here is like-minded, I've seen somebody out there saying thumbs up. I mean, that gives us a little more frontage on Arcadia, which this gives us nothing other than that little sliver right there and that's that wetland I think.

Brad Baird – We could even expand around the sliver north and south to get a lot on each side of it.

Don Hodge – Again, like I asked earlier, if we come and ask you to negotiate it's not going to affect you in two days when you're going to ODOT, right? So there's 128 and then 160 acres, is that right?

Greg Smith – Commissioner, it's really a hard question. The reason for that is I have to be able to demonstrate to the Department of Transportation that we have land suitable for this development. So you start to get into a gray area where you're going to get one department opposing another. I don't

know where that line is, that's that risk factor. I can share with you, when I was on the telephone it was an extraordinarily heated conversation between myself and the director and the director for the Department of Transportation was silent.

Don Hodge – So in essence, your read is take it or it wouldn't be a deal?

Greg Smith – I think the timing will become an issue. I strongly agree with Commissioner Wilson. I don't think that would kill the project but I do think it will delay is significantly which then plays to what Grant was sharing, that's the balance on this. This is the Governor's number one priority, she has shared that.

Don Hodge – Yeah, she said that in the paper but now you don't think she's going to do an about face and run off?

Greg Smith – I can't speak for the Governor. I do not think the project and end in anyway but the timing issue will be significant.

Don Hodge – If that happened then it would be exactly what we've been saying to the western part of the state, you don't give a damn about the eastern part of the state come hell or high water. When she was over here she said, no we care about this part of the state.

Susan Walker – Let's stop and think to, we've got an election coming up in November. What if this Governor isn't Governor and somebody else steps in on what you've got right now and says we're going to change this.

Harry Flock – Well if we take the 128 acres and we get a new Governor that says, no you can't have anymore. We have a very small thing (INAUDIBLE).

Ross Ballard – (INAUDIBLE) you could cut off this 120 acres and then start approaching (INAUDIBLE).

Larry Wilson – I think you have to show a need for it.

Ross Ballard – Even under 50 acres?

Larry Wilson – Well I'll let Stephanie...

Ross Ballard – There was something mentioned of 50 acres.

Larry Wilson – Ross has a question. If you took the 120 and then somebody wanted 30 out here, outside of it, could we go back real quick and say, well we need this now, we have a sale for it?

Stephanie Williams – Well we'd have to go through the same process that we're going through now.

Larry Wilson – But the way they explained it at Ontario was you're not going to go out the urban reserve – didn't it go from 18th clear out to the railroad tracks?

Stephanie Williams – Yes.

Larry Wilson – And they said, you're not going out there just because you have it, until you fill up that interior first.

Stephanie Williams – It's the way that their urban reserve area text of the ordinance was written to. The county has an urban reserve area text and if you dumped it into the urban reserve area for the county, all you're doing is saying that you can use it for farming. What needs to happen is, the City of Nyssa needs to develop an urban reserve area zone and we would have to see what the text of that zone would look like in order to determine if somebody needed it tomorrow if we could actually convert it tomorrow or not.

Larry Wilson – I keep telling everybody up here, I just do not believe that it would ever be easy until about 90% of this developed to get into that reserve, no matter what kind – we could have another sugar factory want to go out there and you think they'd care? No.

Teresa Ballard – Mr. Commissioner, I wouldn't think we'd want to jeopardize – I think Mr. Kitamura's message was very clear, that they've worked long and hard on accomplishing the acquisition of that money. Why would we want, because we're all angry that we can't have the whole ball of wax, why would you want to jeopardize what we think we probably can surely get and facilitate the onion growers in this county just because we're angry? You know, I think a pretty sure thing is a lot better than going for the whole shot. I wouldn't want to jeopardize the future of the onion growers because I was angry at LCD. Malheur County has historically had bad feelings about LCD but we've learned to work with them and I think we should try to continue to work with them so that we can maximize our potential for the future.

MEMBER OF THE PANEL – Stephanie, how many days would it take to rewrite (INAUDIBLE).

Stephanie Williams – For the remaining acre?

MEMBER OF THE PANEL – The 128 acres...

Stephanie Williams – To put that in an urban reserve area? Well it would be at least 90.

MEMBER OF THE PANEL – No, the 128.

Stephanie Williams – Well what we need to do is, we would do a tentative adoption. How you do a tentative adoption is you do it orally because we don't have a document in front of you for you to adopt. It would take within 20 days to do an ordinance with a legal description and get them noticed up for the City of Nyssa to adopt and the Malheur County Court to adopt. I think Mr. Smith can take tentative decision to the Transportation Commission. What you would do is, you would close the public record and you would close the hearing, you would go into deliberations and what you would do is

orally make some fact finding. Basically what you would do is, you say that you approve the exhibits, you approve the staff report, you approve the application, you approve the exceptions document that was in your packet (those are your findings), and then based on those findings you would make a motion that you recommend to the City Council to approve 128 acres as illustrated on exhibit 6 and you'd make that recommendation to the City of Nyssa.

Harry Flock – Is it possible for us to do the 128 acres and the rest as a 2 part – I mean together it's still 358 acres but it's set up so if they shoot us down for the increased acreage, 128 is still going forward? So it's like a part A and part B?

Stephanie Williams – Right, we're doing our part A...

Harry Flock – No but I mean it's all going forward as one. We make a motion...

Stephanie Williams – Well, we talked about this and because Nyssa does not have an urban reserve area. I don't know how you can establish an urban reserve area tonight, if you want to go into the Nyssa urban reserve area.

Ross Ballard – So if we take off the 128 then we would make a motion with those guys and we decide it's a good thing to do, they could adjust that acreage on the motion. We'd give him what he needs to go to ODOT and go to the LCD to get what's in our hand.

Stephanie Williams – Right, you can only do it tentatively tonight.

Ross Ballard – We've got our bird in our hand and maybe those guys go along with this and so we've got Mr. Smith takes it to the Governor or whomever, but there's nothing to review (INAUDIBLE). We can attack the rest of this from a different position. We can start adding the smaller amount, Nyssa can or maybe we'll need permission from the county to do it, to add these smaller amounts into a like type situation. If it's small enough that the committee in Salem doesn't hear about it, I think that someone said less than 50 acres was the magic number, is that right? Do you remember if LCD was over there?

Bill Searles – They don't have to take it to LCDC, the department itself can just...

Ross Ballard – But there was a level at which they had to take it to the committee?

Bill Searles – Over 50 acres.

Ross Ballard – They have to take it to the (INAUDIBLE) Bureau, right? Then we could add that stuff on to Mr. Smith's idea bit-by-bit, okay? We'd have to do a little dancing and we may have to get along with one another but it's a way of getting done without going through the whole (INAUDIBLE) because my wife and I aren't big gamblers and I'd rather take what I can get. And no, I don't trust that they'd give me anything in the future but at least I got the onion growers, the town, Mr. Smith – we've got pictures here of what we will get if we go along with the 128 acre reduction. I can still walk around like some cynical Oregon resident and not feel bad.

Don Hodge – I've got to ask a question. You keep saying 128 reduction, isn't what you're saying take the 128 acres? You keep talking like the 128 is a reduction off the 293. It's not, it's a 128. 128 acres is what they are offering. This is 128.

Ross Ballard – Well then what's this?

Don Hodge – That's the...

Ross Ballard – This says option for urban growth boundary.

Greg Smith – It's 128.

Brad Baird – No, 127 plus the 67 from the concrete plant.

Larry Wilson – But the concrete plant is irrelevant to this, it does nothing for us.

Brad Baird – The only reason I mentioned it is Don just said 358, that included the concrete plant.

Larry Wilson – I think people are confused when they throw this 358 out. What we're really looking at is reducing it from 290 down to 128.

Brad Baird – That's it!

Ross Ballard – According to this map here...

Don Hodge – That's what I want to make you understand, we'll own 127 acres, not 127 off the 290.

MULTIPLE PEOPLE ON THE PANEL SPEAKING AT ONCE TO CLARIFY THE ACREAGE ISSUE

Brad Baird – Mr. Ballard, please understand that the map had 358 because we had to show all of it in the request. The new map will include the concrete plant and 128 versus the concrete plant and 290. Does that make sense?

Larry Wilson – When was the, without our knowledge, when was the cement plant part added on, just the last day or two?

Greg Smith – That is correct.

Stephanie Williams – Well it has to be added on.

Larry Wilson – You know, I'm going to sit here – I might as well just give up because I don't want to hurt any chances of getting something and I agree with Grant. If they throw that out there, if they throw that 68 acres like it's some big deal for us to chop it down to 128, they didn't give us anything.

Greg Smith – No, that's exactly right.

Larry Wilson – They still kicked us in the teeth, this isn't even (INAUDIBLE).

Greg Smith – Commissioner, the reason the concrete plant is added in is because it needs to be contiguous real estate. In order for this property to be included we had to add in the concrete facility.

Don Hodge – Well my (INAUDIBLE) 358 then hey, if we have to take 127 like Grant's saying, take it and run, you know if just chaps my fanny but I want what's good for the onion growers and for Malheur County and for the Treasure Valley, so if it's the 128 then I guess it's what we need to do.

Ross Ballard – I don't like this and I don't trust it.

Don Hodge – Let's get started with what we've got to do. Let's get this damn thing built. Let's start making money. Let's start getting people in here and building some houses. I'm just as upset about it as Larry but hey, it's there so let's get going. That's my opinion as County Commissioner.

Greg Smith – Very quickly, I want to share one thing before this – I want to be very clear on something before the City closes. I want everyone to know I advocated for that larger real estate. It was an extraordinarily heated conversation between myself and agency directors. I want to be very clear with folks in the county; I made it very clear what our position was.

Ed Anthony made a motion to close the public hearing. Teresa Ballard seconded the motion which was unanimously approved by the Malheur Planning and Zoning Commission members present.

Victoria Ramirez made a motion to close the public hearing. Harry Quick seconded the motion which was unanimously approved by the Nyssa Planning and Zoning Commission members present.

Ross Ballard made a motion to close the public hearing. Betty Holcomb seconded the motion which was unanimously approved by the Nyssa City Council members present.

Judge Joyce made a motion to close the public hearing. Larry Wilson seconded the motion which was unanimously approved by the Malheur County Court members present.

Stephanie Williams – Nyssa Planning Commission needs to vote first, so you can deliberate and we'll still put your comments as part of the record for deliberation.

ALL GOVERNING BODIES DELIBERATING

Stephanie Williams – The joint management agreement does say that Nyssa goes first. The Nyssa Planning Commission is ready to make its tentative findings and decision. We'll have to state them out loud.

Amy Martinez made a motion to adopt the staff report, exhibits, testimony and findings provided. She recommends approval of this action to the Nyssa City Council to amend the Nyssa Urban Growth Area by adding 128 acres plus the 68 acres and rezone property from county Exclusive Farm Use and Heavy Industrial to the Nyssa Urban Growth Area Industrial. Victoria Ramirez seconded the motion which was unanimously approved by the Nyssa Planning and Zoning Commission members present.

Ross Ballard made a motion to tentatively accept the recommendations of the Nyssa Planning and Zoning Commission, findings, staff report, testimony and exhibits provided. Robert Deleon seconded the motion which was unanimously approved by the Nyssa City Council members present.

Ed Anthony made a motion to accept the staff report, findings of fact, testimony and exhibits. Teresa Ballard seconded the motion which was unanimously approved by the Malheur County Planning and Zoning Commission members present.

Ed Anthony made a motion to recommend that the County Court accepts 196 acres. John Faw seconded the motion which was unanimously approved by the Malheur Planning and Zoning Commission members present.

Judge Dan Joyce made a motion to tentatively approve this action and adopt an ordinance based on the recommendation of the Malheur County Planning and Zoning Commission, findings of facts, staff report, exhibits, and testimony provided. Don Hodge seconded the motion which was unanimously approved by the Malheur County Court members present.

Each governing body made motions to adjourn the meeting which was approved and unanimously voted for by all panel members present.

Exhibits:

1. Letter from DLCD - Jon Jinings

2. Letter of Support from Lynn Findley
3. Letter of Opposition from 1000 Friends of Oregon
4. Letter of Support from Kit Kamo
5. Map from Anderson Perry Reflecting the 128 Acre Revision
6. Project Plan Proposal to ODOT with Appendix
7. Ordinance 207 with Supporting Documentation - Referenced as 2014 Report

There being no further business the meeting was adjourned at 10:00 P.M.

Respectfully submitted, Kelsey Sullivan.

** Planning Commission Secretary Kelsey Sullivan transcribed the meeting. County Court Secretary Kim Ross made minor corrections. Referenced Exhibits are kept on file in the County Planning Department's file #2018-08-013.

MALHEUR COUNTY COURT MINUTES

September 26, 2018

County Court met with Judge Dan Joyce presiding with Commissioner Don Hodge and Commissioner Larry Wilson present. Staff present was Administrative Officer Lorinda DuBois, County Counsel Stephanie Williams and Surveyor/Engineer Tom Edwards.

PLANNING DEPARTMENT

Planner Eric Evans met with the Court. Mr. Evans provided the Court information on an appeal matter the Court will be hearing. Maria Joyce is appealing the Planning Commission's approval of a conditional use permit application to create a new twenty acre parcel with a non-farm dwelling on EFU zoned land through a partition. The applicant is Derrick McKrola and the Owner of the property is Galen and Sharlyn Jantz. The address of the property is 1547 Vale View Road. The appeal hearing is on the existing record; no new information can be introduced at the hearing.

Mr. Evans also provided his first monthly report to the Court as the Court has required.

Mr. Edwards left the meeting.

COURT MINUTES

Commissioner Hodge moved to approve Court Minutes of September 19, 2018 as written. Commissioner Wilson seconded and the motion passed unanimously.

CROSSING PERMIT

Commissioner Hodge moved to approve Crossing Permit No. 43-18 to Idaho Power Company to replace a pole and install a regulator on Alberta Avenue #768. Commissioner Wilson seconded and the motion passed unanimously. The original permit will be kept on file at the Road Department.

Larry Meyer of the Argus Observer and John Braese from the Economic Development Office joined the meeting. Ms. Williams left the meeting.

INTERSTATE 11 PROJECT

Humboldt County, Nevada, County Manager Dave Mendiola, Humboldt County Commissioner Ken Tipton, Humboldt County Commissioner Jim French, Churchill County, Nevada, County Manager Jim Barbee, Churchill County Commissioner Pete Olsen, and Churchill County Commissioner Bus Shammann met with the Court. Mr. Mendiola shared a power-point presentation with the Court regarding the current status of the Interstate 11 project. Also present was Jeff Berry from ODOT, Road Supervisor Dave Tiffany, and Undersheriff Travis Johnson.

Background of the project:

1991 - The CANAMEX Trade Corridor, connecting Mexico and Canada through Arizona, was outlined in the Intermodal Surface Transportation Efficiency Act (ISTEA) highway bill.

1994 - The North American Free Trade Agreement (NAFTA) was signed establishing trade and manufacturing opportunities between the US, Canada, and Mexico, increasing the importance of creating a north-south connection in the Intermountain West.

1995 - The CANAMEX corridor was defined by Congress in the 1995 National Highway Systems Designation Act.

2010 - Construction of the Mike O'Callaghan-Pat Tillman Memorial Bridge was completed. The bridge bypasses the Hoover Dam and eliminates a major bottleneck on the CANAMEX corridor.

2012 - Future I-11 from Phoenix to Las Vegas is designated in the Moving Ahead for Progress in the 21st Century Act (MAP-21) federal transportation legislation.

2014 - The I-11 and Intermountain West Corridor Study is completed; Arizona and Nevada validate the I-11 Corridor on US 93 between Wickenburg and Las Vegas, and define a wide corridor for further study from Wickenburg to Nogales, and from Las Vegas to I-80.

2015 - The future I-11 designation is officially extended south to Nogales and Las Vegas to I-80 in the Fixing America's Surface Transportation (FAST) Act federal transportation legislation.

2016 - I-11 Corridor Tier 1 EIS: Formal National Environmental Policy Act environmental review process begins on the I-11 Corridor Study, from Nogales to Wickenburg, Arizona, with the goal of identifying a Preferred Corridor Alternative.

2018 - I-11 Northern Nevada Alternatives Analysis: Advanced study of the Northern Nevada connectivity option recommended in the I-11 and Intermountain West Corridor Study. This includes alternatives development, analysis, and evaluation of corridor options between Las Vegas and I-80. The Boulder City Bypass is completed August 2018.

Humboldt County and Churchill County officials want the interstate to go through their counties and on to Oregon/Idaho through the Highway 95 corridor, eventually connecting with I-84. (The route has been designated to run between Las Vegas to I-80; with several route options under study.) Segment A of the interstate has been approved by the Nevada Department of Transportation (NDOT) and runs from Las Vegas to Tonopah; Segment B goes from Tonopah to I-80 and has four corridor alternatives being studied - a report is expected by the end of September. The next segment to be considered is the connection from I-80 to Oregon/Idaho. (The focus of I-11 in Nevada has been to connect the two largest economies in Las Vegas and Reno; Nevada Governor Brian Sandoval has made that clear for several years.)

It was explained that the ultimate goal is to have a freeway trade corridor connecting Mexico, the US, and Canada, as an alternative to I-5 (which is heavily congested in California, Oregon and Washington). Mr. Mendiola explained that the Treasure Valley area's economy is quickly growing and the need to connect it with the Reno/Tahoe/Las Vegas/Phoenix area is critical to economic development in the western US. Traffic on Hwy 95 continues to increase over the last several years.

Other routes that were considered included Hwy 93 through Twin Falls or Hwy 395 which would go into Oregon below Lakeview. Mr. Mendiola explained that he has been told that Hwy 93 is off the table; and Hwy 395 is opposed by officials in Oregon and California.

The Nevada officials encouraged local officials to be part of the discussion about the route; the Court was also asked to consider adopting a resolution or letter of support for the I-11 corridor going from I-80 through Churchill, Pershing and Humboldt Counties in northern Nevada and connecting to Hwy 95 north through Oregon and Idaho. (Reno could be connected off of the direct route by a business route without dictating that I-11 go into Reno.) The Nevada officials will also be meeting with Idaho officials.

Undersheriff Johnson mentioned local considerations may include a need for additional law enforcement and emergency services coverage; as well as whether or not Jordan Valley would be hurt by a freeway routing traffic away from it.

ENVIRONMENTAL HEALTH DEPARTMENT

Environmental Health Director Craig Geddes met with the Court. Mr. Geddes requested approval to temporarily contract with someone to assist with inspections (food establishments, RV parks, and swimming pools) in Baker. (The vacant Environmental Health Specialist position has not been filled yet.) The Court had no objections to the request. Mr. Geddes will work with Ms. DuBois and Ms. Williams on draft contract provisions.

COURT ADJOURNMENT

The meeting was adjourned.

MALHEUR COUNTY COURT MINUTES

October 3, 2018

County Court met with Judge Dan Joyce presiding with Commissioner Don Hodge and Commissioner Larry Wilson present. Staff present was Administrative Officer Lorinda DuBois.

Also present was Larry Meyer of the Argus Observer.

DISASTER DECLARATION - DROUGHT

Emergency Services Lieutenant Rich Harriman met with the Court. Lieutenant Harriman explained that a federal disaster declaration was declared due to drought conditions in August. However, a local declaration still needed to be done with a request to the Governor to declare a drought emergency for all of Malheur County. Lieutenant Harriman read the declaration. Commissioner Wilson moved to declare a state of emergency within Malheur County and request the Governor of Oregon declare a Drought Emergency for all of Malheur County due to severe and continuing drought conditions. Commissioner Hodge seconded and the motion passed unanimously. See instrument #[2018-3739](#) for the Declaration of State of Emergency.

PLANNING COMMISSION MEMBERSHIP

Planner Eric Evans met with the Court; Mr. Evans explained that Planning Commissioner Robin Froerer-Myers has been absent from several Planning Commission meetings and requested that a replacement be appointed. Mr. Evans also explained that Chad Gerulf was willing to serve on the Planning Commission. The Court had no objections to the request. Commissioner Hodge moved to appoint Chad Gerulf to the Planning Commission. Commissioner Wilson seconded and the motion passed unanimously.

COURT MINUTES

Commissioner Hodge moved to approve Court Minutes of September 26, 2018 as written. Commissioner Wilson seconded and the motion passed unanimously.

RELEASE OF TRUST DEED

Commissioner Hodge moved to approve Release of Trust Deed to Project Dove. Commissioner Wilson seconded and the motion passed unanimously. The Trust Deed was executed in 2013 in association with requirements of a Community Development Block Grant for the Project Dove facility in Ontario and those terms have been satisfied. See instrument #[2018-3744](#)

BURN BAN LIFTED

Commissioner Hodge moved to approve Order No. GO-13-18: Order Lifting Burn Ban in Unincorporated Areas of Malheur County Located Outside of a Fire District; Repeal Order GO-09-18; Effective October 1, 2018. Commissioner Wilson seconded and the motion passed unanimously. The local fire districts have lifted their bans as has BLM; Burn Permits are still required. See instrument #[2018-3745](#)

STIF BYLAWS

Commissioner Wilson moved to approve State Transportation Improvement Fund (STIF) Advisory Committee By-Laws. Commissioner Hodge seconded and the motion passed unanimously. See instrument #[2018-3742](#)

AGREEMENT - NEY

Commissioner Wilson moved to approve Agreement for Temporary Environmental Health Specialist Services - Restaurant Inspections with Melissa Ney. Commissioner Hodge seconded and the motion passed unanimously. Ms. Ney will perform inspection services in Baker. See instrument #[2018-3741](#)

BOPTA

Clerk Gayle Trotter met with the Court. Ms. Trotter requested names of persons who may be willing to serve on the Board of Property Tax Appeals

(BOPTA) board. A board must be appointed annually by the County Court no later than October 15th.

FAIRGROUNDS - UPDATE

Fairgrounds Manager Lynelle Christiani met with the Court and provided a monthly update. Ms. Christiani provided statistics for this year's Fair. Vendors in the Commercial Building were up (the booth fee was lowered); revenue from food booths was up; camping fees will be raised for next year. Admissions revenue was up; based on the revenue approximately 13,000 - 15,000 persons attend the Fair each day.

The rental fee for the Commercial Building and Girvin Hall is \$650 with a \$500 cleaning/damage deposit and an additional \$600 if security is required.

Ms. Christiani is tracking phone calls and walk-ins as well as the number of people using the facility each month.

The stove in Girvin Hall is being replaced and should be delivered today.

The Board has decided on a new logo and name as part of their rebranding project; the fairgrounds will be known as : Desert Sage Event Center - Home of the Malheur County Fair and feature the Red Barn in its logo.

COURT ADJOURNMENT

The meeting was adjourned.

MALHEUR COUNTY COURT MINUTES

October 17, 2018

County Court met with Judge Dan Joyce presiding with Commissioner Don Hodge and Commissioner Larry Wilson present. Staff present was Administrative Officer Lorinda DuBois.

COURT MINUTES

Commissioner Wilson moved to approve Court Minutes of October 10, 2018 as written. Commissioner Hodge seconded and the motion passed. (Judge Joyce was not present on October 10, 2018.)

FUND TRANSFERS RESOLUTION

Commissioner Hodge moved to approve Resolution No. R18-25: In the Matter of Fund Transfers Under Local Budget Law ORS 294.463. Commissioner Wilson seconded and the motion passed unanimously. Funds are transferred from Contingency to Outside Legal Counsel/Defense. See instrument #[2018-3909](#)

OLCC APPLICATION

Commissioner Hodge moved to approve Oregon Liquor Control Commission (OLCC) Liquor License Application to The Store (Willowcreek)/Todd and Susan Gregory, nunc pro tunc to October 15, 2018. Commissioner Wilson seconded and the motion passed unanimously.

ROAD DEDICATION

Surveyor/Engineer Tom Edwards met with the Court and presented a partition plat with a road dedication for the Court's consideration. Commissioner Wilson moved to accept road dedication of a portion of Thrifty Way on M&K Properties LLC Partition Plat #18-14. Commissioner Hodge seconded and the motion passed unanimously. See instrument # [2018-3905](#)

ASSESSOR REPORT - APPEALS

Assessor Dave Ingram met with the Court and briefed them on property tax appeals. Three public utility companies have accounts in appeals. Level 3 - which sold to Centurylink - is still in appeals from last year and deferred billing credits will be done again this year. Tesoro Logistics NW Pipeline and DeShaw Renewable Investments have appealed their property values this year and deferred billing credits will be done. The appeals are in the Oregon Tax Court. The potential refund credit will be held in accounts by the Treasurer and is an estimate of the amount of taxes in dispute.

ECONOMIC DEVELOPMENT UPDATE

Economic Development Director Greg Smith and Staff John Braese met with the Court and provided an update. Also present was Assessor Dave Ingram and Planner Eric Evans. Mr. Smith explained that Phil Scheuers has left the company and will be missed; Nicole Crane will begin work for the company after the November election; and John Braese is working for the company and doing a tremendous job.

The project plan proposal for the Treasure Valley Reload Center Project was submitted to ODOT. The proposal includes the statutorily required economic analysis of the market opportunities in the Treasure Valley; the analysis is extraordinarily strong - far stronger than initially thought. The reload facility will need to grow in phases in order to meet the total demand.

Mr. Smith explained that Treasure Valley onions are shipped to multiple destinations- the major areas of distribution are Seattle, Denver, Chicago, Dallas, Miami, Charleston-Charlotte area; and New York. From these destinations the onions are then further distributed or exported. Backhaul opportunities from these major destinations are being studied. Mr. Smith is in conversations with Peter Friedmann, who is a nationally recognized agricultural transportation consultant, in an effort to possibly contract with him to assist with the project.

Union Pacific has accepted the application for the reload center and their engineering team will begin working with the Development Corporation's engineering team to develop the design layout. The construction firm that built the Railex facility in Wallula, WA; Delano, CA; and New York has been retained; the goal is to use as many subcontractors as possible.

The project plan proposal was submitted to ODOT September 27; it takes 2-3 weeks for ODOT to review the proposal for completeness; from there a committee consisting of ODOT representatives, Business Oregon representatives, and a private consulting firm will review the proposal for thoroughness and make a recommendation to the Oregon Transportation Commission (OTC). It is anticipated that the OTC will take action on the proposal by December 2018. In the meantime, backhaul opportunities are being studied as well as potential operators for the facility.

The Farewell Bend truck stop project is moving forward. A 40-thousand gallon underground fuel tank was placed and the underground infrastructure is moving forward. Issues regarding water for the facility have been resolved. It is anticipated that the facility will employ approximately 80 individuals. The facility will be constructed in phases and include a truck stop with a nationally recognized restaurant and flagship hotel.

Economic Development continues to work with small business owners in the County. Mr. Braese commented that the recent Vale FFA Auction was very successful.

Commissioner Wilson asked Mr. Smith about grant opportunities for county fairs. Mr. Smith explained that funding for fairs is challenging; the legislature allocates funding for county fairs; funding for operations is difficult - infrastructure funding is sometimes possible.

Judge Joyce left the meeting; Commissioner Wilson presided over the remainder of the meeting.

Ms. DuBois left the meeting.

APPEAL HEARING - PLANNING COMMISSION DECISION - JANTZ

Present for the appeal hearing regarding the Planning Commission's decision approving a conditional use permit to create a new twenty acre parcel with a non-farm dwelling on Exclusive Farm Use (EFU) zoned land were: Planner Eric Evans, County Counsel Stephanie Williams, Applicant Derrick McKrola, Matt McKinlay - Advanced CFO in its capacity as Receiver of Galen & Sharlyn Jantz, Appellant Maria Joyce, Jane Padgett, Gary McClellan, Mick and Shiela Jacobs, Jeff Bair, and Real Estate Broker Chet Pipkin. Notice of the hearing was published in the Argus Observer; Planning Department File #2018-07-001.

Commissioner Wilson opened the hearing and requested those testifying state their name/address for the record when called upon to speak; requested that testimony be limited to approximately five minutes; and directed that all testimony and questions go through the Court and not to staff or witnesses.

Commissioner Wilson asked for abstentions, and potential or actual conflicts of interest from the members of the Court; there were none. (Commissioner Wilson later noted that in reading the Planning Commission minutes of the July meeting it mentioned involvement of a real estate broker named "Chad" and he was concerned that that individual may have been Chad Currey who works in his real estate office; however it was later clarified that "Chad" was a typo and the correct name was "Chet" (Pipkin)).

Commissioner Wilson asked for any ex parte communications or site visits to be divulged; Commissioner Wilson and Commissioner Hodge both stated they had visited the site but had not talked to anyone.

Commissioner Wilson asked for any objections to the jurisdiction; there were none. Jane Padgett asked what the process was for the hearing and decision making; County Counsel Stephanie Williams outlined the public hearing procedure and explained that the hearing was on the existing record.

Commissioner Wilson asked for any objections to any member of the County Court hearing the matter. Maria Joyce asked if only Commissioner Wilson and Commissioner Hodge would be hearing the matter. It was noted for the record that Judge Joyce would not be participating in the hearing as the Appellant, Maria Joyce, is his sister. There were no objections to Commissioner Wilson and Commissioner Hodge hearing the matter.

Commissioner Wilson stated "failure to raise an issue may preclude raising it before LUBA; failure to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the County Court to respond to the issue may preclude an action for damages in Circuit Court."

Commissioner Wilson asked for a Staff Report.

Planner Eric Evans: Today we're here for, as you said, an appeal - the Applicant's Derrick McKrola for the owners - last name Jantz. This is Planning action number 2018-07-001. The Appellant is appealing the Malheur County Planning Commission's approval of a conditional use permit application to create a new twenty acre parcel with a non-farm dwelling on Exclusive Farm Use through a partition. The unit of land is northeast of Vale; the property address is 1547 Vale View Road, here in Vale. I wrote you a memo but it was incorrect and the minutes had to be corrected - the Commission actually didn't vote it unanimous, it was actually voted 8-1, with one voting no for the conditional use application. The appeal is on the existing record, meaning that no new information can be introduced at the appeal hearing. The Order approving the Conditional Use Permit with Conditions 1-5 is included in your packet, along with the transcript of the public hearing and Exhibits 1-7. Also included in the packet is the application. And, there's actually two different days they met, they actually continued it from July to August I believe.

Also in there you'll see the Appellants application for the appeal. I wrote a list of the reasons that she appealed this; one being that dividing the property is against Senate Bill 100; Jantz had a commercial operation in conjunction with farm use in an EFU without a conditional use approval, then she stated that "before the new use can be approved the unlawful use of the property must be corrected"; the Commission's decision was impacted by inaccurate information given to them by Counsel; the summary by the Planning Commission does not do justice to the concerns of the neighboring property owners; and, the prior Planning Director was notified in June 2015 of the zoning permit violations.

So, for you guys, the Appellant's burden is to demonstrate the decision of the Planning Commission to approve the conditional use permit is not supported by substantial evidence in the record. The options to you is to: uphold the Planning Commission decision; to overturn the Planning Commission decision; or to remand it back to the Commission.

Commissioner Wilson asked for proponent testimony.

Derrick McKrola, Applicant for the owner of the Jantz Family Farm, 3811 Birch Road, Vale: We already have it on the record, I understand that we

can't add or detract from that, so it's on the record that we've established the criteria for a conditional use permit. It's a little ironic that we apply for this permit because the conditions out there are existing. We gathered all the approval letters and established the condition to partition this parcel, more particularly and from a water right perspective how we were asked from the irrigation district to provide a separate pump and metering device and we have wrote that. The issues brought up in the appeal, I think there might be a little bit of misunderstanding in the terminologies used. What is farming? My understanding farming is commercial agriculture. And I don't know if that's within our limits as a planning commission to make the determination whether or not that the farming operation out there is legal or not. Some of the emphasis's were put on the scale and the storage bins out there, but those are vital tools in the farming business to market their product. And that's pretty much the thought of mine; I don't know the understanding of the appellant's standpoint as what's legal or not.

Matt McKinlay, Advanced CFO, Receiver of Galen & Sharlyn Jantz: I was appointed by Judge Baxter last year as the Receiver of Jantz Family Farms, Jantz Land Company, and Galen and Sharlyn Jantz individually, to take possession of their assets and administer them for the benefit of creditors and other stakeholders in the community. It's been my observation, also acting under the recommendations of real estate professionals and appraisers and land surveyors and creditors, that partitioning the property there is in the best interest of all parties, which led to our application to partition for the conditional use permit. I'll let the record speak. We went through very carefully the application of what the requirements were; we addressed all of the concerns of the Planning Commission. We have letters from professionals that have looked at some of the concerns around easements and access and electricity, power, water; we've addressed all of those issues and we ask that you uphold the decision that the committee made.

Commissioner Wilson asked for any questions from the Court or staff; there were none.

Commissioner Wilson asked for opponent testimony.

Maria Joyce, Appellant, 1586 Vale View Road: As we stated, dividing this property is against Senate Bill Number 100. Because we cannot trust what is done with the property in the past we cannot trust what will be done with it in the future. Therefore the property needs to remain in Exclusive Farm Use and zoning respective. Case and point: Alvin Scott who was Malheur County Planning Director sent me a letter dated June 12, 2015. In that letter he stated "he, Mr. Jantz, has a large operation and plans to utilize the granaries for his own use". He never mentioned that last year he allowed Mr. Belnap to store grain. Ed Anthony's testimony of July 26 Planning and Zoning Commission meeting states, quote, "I have sold corn to Galen, I have done business there and it's a rat race in the fall. You've got 7000 trucks going in and going out of there." So once Mr. Belnap trucks hit the scales it became commercial use according to Department of Ag. Commercial use require conditional use permits; conditional use permits according to Malheur County Code require a conditional use study that includes researching the environmental, economic, and social impacts of the already existing community. The lack of study and permits has had a huge impact on all of these areas for the existing community. So before new use can be approved the unlawful use of the property must be corrected. The fact is that the silos used by Mr. Jantz, to the best of our knowledge, our observation, and information from local farmers and what the newspapers have stated, is evidence that has not been the case; it has been used as a commercial storage and weighing facility for numerous farm operations; a brokerage, operating in violation of the zoning laws. I have inquired multiple times at Malheur Planning and Zoning Department as to where are the permits; I was told there was no file on Jantz; there apparently is one now. So the silos were not approved for commercial use; because they were used as commercial purposes and the weigh station being right across the road from our property, which is 1586 Vale View Road, they have created significant health risks to Mary, who is the property owner, and her sons, Michael, John, and Joshua Herbert, and myself, and I believe the whole farming community as well. And the men that I mentioned have significant disabilities and they reside directly across from the farm. So prior to Mr. Jantz's arrival, Mary did not have asthma, and for myself personally, I don't have a history of allergic reactions; I had an allergic reaction, this was December 13th, I had just closed the car trunk, turned around to see the trucks making the turn into the weigh station, and I said to myself, oh my god I can't breathe and there's no one here to feed the cattle and horses, and it was very difficult to make my way to the barn, I wasn't even able to climb the fence, I had to use the gate, and I did not know what was happening and I was trying to decide whether I needed to call an ambulance. I managed to get through that reaction. I went to the doctor and the doctor said that I had an allergic reaction; I have that letter here because I said in the other notes that I would provide that information. So just a note about allergic reactions - second exposures are often worse. So because of the unsafe conditions that all of us at 1586 Vale View Road have had we've had to leave there. Its created significant problems for all of us because at certain times of the year we've had to leave our own house. This was especially the case from December 1st - December 13th, 2017 when a corn dryer was put into operation. According to Department of Ag corn dryers must have conditional use permits. Conditional use permits according to County Code, the Malheur County Code, require a conditional use study. So obviously they would not pass. We've been subjected to extreme levels of pollen, dust, both dirt and corn dust, noise, diesel, and the particles coming from the corn drier and the silos and those coming off of the trucks as their on the weigh station. So it's hard really to live in the house now, let alone sleep; I can't even sleep in my own room, I've had to put in new doors and windows at my own expense and this did not mitigate the problem. So I'd ask you to think about how you would feel in this situation. So, Planning and Zoning, I've notified them, and I have that letter from June 12, 2015. Consideration of the historic use of the property must be considered. We were there long before the silos; not just us but all of our neighboring community. Because of this our property's lost value; this was our home, alright, this was a great place to be for John, Josh and Michael. Prior to Jantz moving in there I was able to do equine therapy for them out there and they were able to enjoy that right in the arena that's adjacent to right across the road from where they've now put their scales. It's difficult to be outside because of all of the allergies and allergens. Malheur County Code gives preference to existing neighbors. In the past the courts have determined that farming practices must be done in a reasonable and prudent manner. The nuisance threat from the corn products and the operation are not reasonable and are not prudent and they violate health, safety, quality of life, and the economic value of our properties have been negatively affected. So I'm sorry that this has become such a huge issue when it could have been resolved at the very beginning peacefully. It would have been nice if in the beginning, in 2013, Jantz had taken into account his neighbors; that he would have put himself in that home and asked would I do this to my own family or would I allow someone else to do this to my family? Would any of you want to raise your family in these conditions? So like I said, when we moved to the property 24 years ago we all thought we had found our little piece of heaven and now, at different times of the year, which is a large significant time of the year, it's a living hell. So now we're asking for the County Court to consider our point of view and do the right thing with this. I have supporting evidence here that backs up what I said in the other meeting. But I'd like to conclude with a letter from the boys - the men: *Dear Malheur County Court, Please get rid of the silos and the scales because the trucks go too fast and the corn just blows into our faces. We can't breathe. Sometimes we can't stay in our house because the dust comes in. Signed, Michael Herbert, Joshua Allen Herbert, Jonathan Herbert, 1586 Vale View Road, Vale, OR 97918. Dictated to Mary Herbert.* And so, I have included here supporting evidence of everything I said in the meeting in August, so that includes John, Josh, and Michael's letter, a petition from all of our farming neighbors to remove the silos, weigh station and shop, and it includes the signatures of Mendiola's who weren't able to be here. Dr. Miller's letter. Alvin Scott's letter of June 12, 2015. Capital

Press news article about Mr. Jantz's operation and articles on the impact of corn dust and pollutants.

Commissioner Wilson: Do we already have those or are those to be entered into the record?

Ms. Williams: Those have not been entered into the record. You can look at them..

Ms. Joyce: They're supporting evidence - so whatever you want to do with it.

Commissioner Wilson: Is there any other opponent testimony?

Jane Padgett, 1625 Vale View Rd: I don't need to come forward other than I want to say that it feels like there has been a lot of weight put on professional peoples testimonies and opinions about this and not very much credence given to the people who live there and have to navigate it. I'll just say for myself, as someone who has lived there for 27-28 years now, I've walked up and down that road all that time, for years, it is so unsafe now because of the multiple trucks and the traffic that's going in and out of there is horrendous. And Jeff, this is nothing against you, I know you have a job to do and a business to run, but the trucks are speeding and there's dust all the time and it's scary.

Jeff Bair: It's a dangerous road.

Ms. Padgett: It has changed the way that I feel about my community. It has changed the way I think about wanting to stay there. I just think some attention needs to be paid to the people that have lived there for a long time. It's not just about making a living.

Gary McClellan, 4025 Saddler Ln: What Jane Padgett says is I think echoed throughout the rest of the community. I've lived there since, well hell my grandfather took a place out of sagebrush so its been a lifetime ordeal. The problem that I see with this whole situation, the Planning Commission was formed to save farm ground from the encroachment of residential homes. That's pretty much been the entire focus of the Planning Commission as I understand. They make exceptions for various reasons, mainly if there's a hardship or individuals or families that the rules and regulations would create problems for, or if there's some direct benefit for living conditions that they could make. The decision that was made here was made directly for the bank, and I don't approve of that. It doesn't benefit any of the neighbors, it doesn't benefit the people who even live in the home up there; it doesn't benefit them at all. It simply opens up the door, if this division is going ahead, we now have - there's a home there that's going to stay there, if we make this division we open up 175 acres of farm ground to a farmer that will be sold to someone - he now has the right to put a home on there. Then we will have two houses instead of the one we're stuck with. So you open up the door to more encroachment, more homes, creating more problems for the neighbors and the neighborhood with the excess traffic and whatnot. This decision was brought forth by two very fine gentlemen, but they're professionals, they don't live there, they don't have to deal with this problem. We do. And I just, I think there's every reason in the world to overturn the Planning Commission's judgment, and I know it's a tough job for them and I know it's a tough job for you fellows, but I think if you'll really stop and think about the reason for all of this, if you think about what it all entails - what the Planning Commission was there for and why are you making a judgment that benefits nobody but the bank. There's nobody in the neighborhood it's going to help; it's strictly a financial decision. And I don't think that's right. Thank you.

Shiela Jacobs, 3980 Saddler Ln: I'm just going to kind of reiterate (inaudible - coughing) at the planning and zoning one, with separating the partition, the house and the farmland; they both have easements to access the barn. The farmer has to have an easement from the people that own the house to get to their barn otherwise they're going to make a new road, which isn't very feasible. And the people that own the home have to have an easement through the farmer. If anybody's been around this community for a while - it's probably not going to go along too well. It is a flag lot so they would put in a, there is an option to put in a new road, which is right along our fence line. And if you've looked - it's not very safe, especially with all the truck traffic. If you go to the east you can't really see up over the hill from where they would have that flag lot. And, talking back with the traffic - the amount of trucks - there is a high number of trucks; I want to say we've had two trucks that have crashed into our field in the time that we've live there, which is 14-plus years, including one less than a month ago. I come home from work, somebody's fixing the fence, by the time I can get out there, fence is all fixed, they're gone. Never heard anything about it. Luckily our horses didn't get out. There is a lot of traffic on that road, especially with the silos. If there is another driveway there that's, I mean, I see how many times during harvest trucks go in and out - there's going to be an issue between the farmer and the house owner. And also, from what I understand, the house, if somebody bought the house, if it was partitioned off, somebody bought the house, they have to pay back taxes, they're probably going to end up having to put in different irrigation, water, maybe a well, I don't know, because right now the well that serviced the lawn is not working - the lawn's dead now. That's a lot of money; it's not going to be a local person. So they're not going to have an understanding of our agricultural area. Thank you.

Commissioner Wilson: Any other opponent testimony? Okay, hearing no more, is there any public agency testimony other than what we already have? Could we ask, would the staff give us a staff report and recommendation?

Mr. Evans: At this point, using the information that was on the application for the appeal, I would recommend that the County Court upholds the Planning Commission decision.

Commissioner Wilson: Any other staff comments? Do you have any questions for the staff?

Commissioner Hodge: No.

Commissioner Wilson: I have a couple of questions for maybe Eric or Stephanie, but can we ask that after we hear any rebuttal or do we need to do that right now?

Ms. Williams: Well usually you ask the questions so that if they want to comment and you have additional questions they have an opportunity to do that.

Commissioner Wilson: Okay. One of the questions I had is the, I kind of have two separate deals, and I think I'm correct on this so you can answer that, but, if you own over 80 acres, currently you can split off two parcels. There's some caveats. The remaining parcel still has to remain over 80 acres - so if you had 90 acres for example - you could split off a two and a five or whatever, there's no specific sizes for non-farm partitions and they go through the same procedure. I guess what I just want to know from staff is, and I got some information on it from you guys, but, just sort of for the

record, we kind of have two, if the silos weren't there it doesn't sound like we'd have, we'd just be in the normal over 80 acre parcel, wanting to split something off for a residence, or an existing residence off of it. So, the Planning Department or staff, you don't feel like there's a, that's not a commercial activity that made this illegal to start with.

Ms. Williams: I don't have all the facts of what it started out to be. I can tell you right now that I don't think it's a commercial activity in conjunction with farm use. There's a 2016 case that has been cited by DLCD, our regional rep who provides us with direction, called the Gilmour case. It was a hay processor who processed hay on his property from not only what he grew but also from other farmers. He dried it just like you're drying corn; it's really not processing, it's not changing the configuration of the product. The Court of Appeals and LUBA said that is not a commercial activity in conjunction with farm use. That's what we're basing it on in this case. I appreciate that they brought this up because at very least the County needs to issue a letter to the Jantz Receivership telling them what they can and cannot do because I do think that there was some question in the past about whether that was a commercial activity in conjunction with farm use. It currently is not. You cannot store other people's grain in there without growing your own. You can do no more than just dry what you have. I want to be really clear that we are going to be writing you a letter making sure that you do understand that there cannot be any commercial activity in conjunction with farm use there.

Ms. Padgett: Can I ask a question Stephanie? There's lots of trucks using the scales, I don't know if they're all Jeff's or if they are other people's too.

Ms. Williams: They are Jeff's.

Mr. Bair: I have 23 trucks.

Ms. Padgett: Okay. It's just, it's horrendous, it's really horrendous.

Commissioner Wilson: Well and I know in the past, aren't I correct, like, onion storages on farms, there was a packer over in the Nyssa area, they primarily did their own onions but you are allowed to, they weren't processing, they were packing, but you are allowed to store and pack a certain percentage aren't you without becoming, as long as you're doing a certain percentage, is there a percentage or is there...

Ms. Williams: That goes for processing and that's not what's being done here and so it really has no application...

Commissioner Wilson: Even the packing is sort of kind of considered processing? I know we're talking two different commodities...

Ms. Williams: They cannot process, pack or treat grain on the site other than simply drying it and we will be issuing them a letter.

Ms. Joyce: According to Department of Ag a corn dryer has to have a conditional use permit.

Ms. Williams: I don't know what the Department of Ag - I'm looking at land use planning. I don't enforce Department of Ag; the County doesn't have a role in that, ours is just strictly planning and zoning. I'll just read you an excerpt in the Gilmour v. Linn County case, it's a 2016 case, Linn County required Mr. Gilmour to obtain a conditional use permit for a commercial activity in conjunction with farm use for his straw compressing operation in the EFU Zone. The operation consisted of several buildings, storage facilities and machinery. Mr. Gilmour appealed Linn County's decision and both LUBA and the Oregon Court of Appeals determined that a conditional use permit was not required even though Mr. Gilmour compressed up to 25,000 tons of straw purchased from other farmers when compared to the 5,000 tons he grew on site. Compressing and preparation of hay purchased and grown by Mr. Gilmour for storage and shipping was a commercial farm activity and permitted outright in the EFU Zone. It did not require a conditional use permit. I'm not going to debate it any more. I'm here to advise the County Court. There is case law on it. We've talked to DLCD, our representatives. I talked to Mr. Bair about truly what his activities are out there and that's what we've determined. We are going to be issuing you a letter though. And I appreciate that the neighbors brought it up; I think that it was pushed by Mr. Jantz.

Commissioner Wilson: Okay, that was kind of the question that I had. Don did you have any other?

Commissioner Hodge: No, other than just listening to what Stephanie said, but, Maria - you have another question?

Ms. Joyce: I do. What about the fact that farming has to be done in a reasonable and prudent manner and that nuisance threat coming over, to my knowledge and the court cases that I've researched, if it impacts even one organ - I mean, that's a problem.

Ms. Williams: It's a private lawsuit and you need to sue privately, it's not something the County can do for you.

Ms. Joyce: But what about the County not backing, not requiring the permits and everything from Mr. Jantz and allowing what he did wrong. That's a questions. I'm just asking a question.

Ms. Williams: I don't have enough facts to even really respond to that.

Mr. McClellan: What kind of facts do you need?

Ms. Williams: At this point and time it's not for me to pursue, it's not for the County to pursue, it's not occurring now. If you feel there's a private lawsuit you need to pursue it. This is purely a planning and zoning issue.

Mr. McKrola: It seems it's on the owner to take that responsibility of being within their legal means of their farming practices.

Commissioner Wilson: Yes.

Mr. McKrola: And we will gladly accept that letter.

Commissioner Hodge: Well you'll receive the letter.

Commissioner Wilson: And we do have, there's that farm, there's that disclosure for when parcels are split off, I mean we're talking about whether there's already a house there or one to be built, that they accept that they are in a farm use zone and they tend...

Mr. Evans: That attaches to the partition for the non-farm dwelling

MULTIPLE TALKING

Commissioner Wilson: to the partition but it doesn't go, it'll remain EFU just like it is now

Commissioner Hodge: And I think, didn't it say in there this was Class 3 and 4 farm ground

Commissioner Wilson: Well really the

Commissioner Hodge: Or 4 and 5; 3 and 4 I think.

Mr. Bair: 6 and 7 as well

Commissioner Wilson: As far as what we're really looking at this meeting - I guess when we go into deliberation I'll answer that.

Mr. McKrola: A concern was brought up at the hearing of the potential of opening up the door for another dwelling for the larger parcel. But that's only going to happen through another conditional use permit - is that correct Eric?

Mr. Evans: It'll be over 160 acres so it's an allowed use.

Unknown: They don't have to apply

Mr. Evans: They have to go through our rules but it won't go in front of the Planning Commission.

Commissioner Wilson: And that's an issue down the road when somebody wants to build there.

MULTIPLE TALKING

Commissioner Hodge: its statute already

Mr. McKrola: And also the alternative access easement that was brought up - you'll see it in the exhibit - it's not necessarily next to the fence line, it's up on where the visibility of accessing (inaudible - multiple talking)

Mr. Bair: Essentially by putting that access in there you wouldn't be able to have the scales there whatsoever because there's no turnaround area for the scales (inaudible) somebody would have to actually move the scales.

Commissioner Wilson: I don't have any other questions.

Commissioner Hodge: I don't have any.

Commissioner Wilson: Would you guys like an opportunity to rebut any?

Mr. McKinlay: Thank you. I appreciate Ms. Joyce's comments about health issues and I'm certainly empathetic to those. She made the comment "in 2013 it would have been nice if Jantz would have taken his neighbors into account"; I completely agree. My feeling is we're not here though to discuss or decide on whether what Mr. Jantz did in 2013 was the right or wrong thing to do. We have a hand of cards that we've been dealt with and its how we maximize what we have based on the hand we've been dealt. The comment that we please get rid of the silos and scales - that's not the issue today. And just a couple of other quick comments. Gaylen and Sharlyn Jantz do not own the property; there's not a possibility that they will own or control the property - I'm sorry - they own the property but they don't control the property and there's not a chance that they will control the property in the future. The Receivership is a temporary proceeding; at some point the individuals behind me are going to get a new neighbor - that we know. What our hope is is that the application here before you today is that we can find them the best neighbor we possibly can. We know that there's very few buyers in the marketplace right now for a 300 acre farm with 7000 square foot home and an 18,000 square foot shop with three grain silos - right? But our belief is that there is a market for a 7000 square foot home; 300 acres isn't going to cash flow that type of property, it's an igloo in Hawaii - right? There isn't a strong market for that. But we believe there is a market for the home separately and there's a market for other farmers that have a use for the scales and the shop and its beautiful space. Our application here is to find neighbors that will take good care of the property; that will have an ownership interest in the property and therefore hopefully have some consideration for the neighbors that live around them and can do a little bit better job taking care of the property than did Mr. Jantz.

Mr. McKrola: I appreciate being referred to as professionals. There's a few subjectives that have been entered in here. If you don't mind me adding - I grew up in a farm/ranch - John Day/Mt. Vernon two hours west of here; and I currently live in a rural residential area just a mile and a half west of Vale. I've been here over nine years and I acknowledge the farming community. I recognize that Ms. Joyce is surrounded by farming. And I don't know if there's anything that we can do to mitigate the farming practices. If we were to take that as a factor into concern of somebody's health we're asking all the farmers to stop farming. Because you're surrounded, that area right there, primarily by farm ground. Like I said earlier, the conditions out there are existing, they've got the house and the farm and we're just trying to find the best way to preserve the farm and the house.

Commissioner Hodge: Thank you.

Commissioner Wilson: Thank you. Anybody like a chance to rebuttal?

Ms. Joyce: His good neighbor comment - the only way to have good neighbors is for them to remove the weigh station and silos. That's just a fact.

They shouldn't have been put there in the first place. And also, you know, your issue that I'm surrounded by farming - I'm a farmer too and prior to this all going in we didn't have any health issues. We had a good healthy life there. So we just ask that the Court really consider this, our view and before you do something new you have to take care of the old business and they were put there - their use was illegal.

Mick Jacobs, 3980 Saddler Ln: And the other thing that you raised about the neighbors, I'm Mick Jacobs - I'm just down there on Saddler Ln - if you do get this split, our concern - we already had Jantz who was scary enough - we split it now we're talking about two different neighbors as opposed to possibly just one. Local or not, you hope maybe one of them is good but what are our chances that both of them are going to be good? That's one of our major concerns.

Commissioner Wilson: Okay, any other rebuttal? Hearing none, we will close the public portion of testimony, no further public testimony can be heard after this point unless the hearing is reopened or continued. Now we will go to deliberation. Don- for us.

Commissioner Hodge: Well after reading this and then listening to the opening statements and listening to Stephanie and reading the letter from Stephanie that she researched the ruling back in 2016, I think it was, that she talked about, at this time I have no reason to override the Planning Commission. Right now my decision is to stay with the Planning Commission's decision and confirm their decision. You tell me what you think.

Commissioner Wilson: I feel kind of the right way and I just want to say on the record so that you guys understand, I live on a farm too and sometimes, even though I live on a farm, I was really happy when the neighbor about 20 feet away finally put some gravel on his ditch bank so I didn't eat dirt all the time; but, when you live out of town you're going to get some of that. It seems to me the issue is, and I don't think it's that no one cares about the neighborhood or the community, so things like, Mick, who knows when you sell your property, I mean you get old and retire and want to sell you don't have to go and get permission from all the neighbors to choose your neighbor. They're all concerns but, you know, most people if they're going to spend the money that these two properties will probably bring - I'm in real estate so - if I was going to invest that much money to buy one of those properties I would take care of it and therefore I'd probably be a good neighbor. A lot of it is based on Mr. Jantz's use of it and I think, that's really not - this issue is for whether or not that non-farm partition should be granted and that fits the same criteria that; I was on the Planning Commission for 12-14 years and we scrutinized a lot of these and legally it's allowable. I'm at ease too with Stephanie saying that the County Court will let the new owner, or the current owner of the farm that remains - give them a definition of what's commercial activity or not. To my knowledge, I'm not an expert, you don't have to get a conditional use permit to put your own corn dryer in; those are allowed with farm practices. I'm not convinced, and with staff report, that it was an illegal use so therefore we can't split this off until that's done. I think all those questions have been answered. The good thing is you'll probably hopefully have a lot better neighbor than Mr. Jantz that caused the problems on the other. I just don't see anything new that I would overturn the Planning Commission on.

Commissioner Hodge: Me either.

Commissioner Wilson: They were solid in their, what was it, 8-1 so that's pretty, they all thought likewise so I would

Commissioner Hodge: At this time I'd make a motion that we continue with the Planning Commission's decision to grant the partition.

Ms. Williams: It would be a tentative decision and in two week's we will come back with a finding document.

Commissioner Hodge: Tentative.

Commissioner Wilson: Right.

Commissioner Hodge: So you all know where we stand as of now.

Commissioner Wilson: So your motion is tentatively with the findings to be provided in a couple of weeks. I would second that. All in favor.

Commissioner Hodge: Aye.

Commissioner Wilson: Aye.

General discussion about the matter continued between those present and with the Court members.

COURT ADJOURNMENT

The meeting was adjourned.



SREDA Annual Member Meeting
October 30, 2018, 5:30 pm
Saint Alphonsus Medical Center, Ontario, OR

Attending Members & Partners:

Jeff Williams, Dan Cummings, Adam Brown, Ron Verini, Larry Hogg, Kevin Coats, Georgia Hanigan, Andy Oyervides, Patrick Nauman, Ken Bishop, Mike Hanigan, Ken Hart, Tim Heinze, Steve Hale, Dan Greig, Matt Frye, Torie Ramirez, Dana Young, Cathy Yasuda, Jill Miles, Bob Komoto, Kirk Chandler, Craig Jensen, Holly Lyons, Marty Justus, and Charlotte Fugate.

Guests: Alii Chandler, Linda Williams, Markita Williams, Riley Hill, Motsee Lock, Tien Le, Art Hanigan, Kim Frashier, Jesse Sandoval, Judy Moore, ML Vidas, Sharlene McCaslin, and Larry Meyers.

Staff: Kit Kamo

1. The event began with brief tours of the newly renovated patient rooms, followed by a delicious dinner with roast beef, chicken, green beans, salad, and rolls. Prior to opening the meeting, an excellent, but brief, promotional video about the medical center and Ontario was viewed.
2. Open Meeting: Chairman Patrick Nauman called the meeting to order at 6:55 p.m. and thanked Saint Alphonsus for hosting the annual meeting.
3. SREDA Annual Report: Executive Director Kit Kamo updated the group her Annual Report and Demographic Information regarding the tri-county region. In addition to the SREDA annual report, the updated 2018 SREDA report card, the data of Commuters in/out of the individual cities, and a flyer for the TVCC Job Fair scheduled for 11/14 at 10 am was handed out.
4. Update on the Local Housing Market: Vice Chairman Jeff Williams provided the group with slides showing the housing market in the tri-county region over the last few years. The graphs indicated multiple data with houses on the market for sale from 2012 – 2018. Jeff showed that there is a real shortage of affordable houses on the market and stated they are getting harder to find. Jeff ended his presentation stating that if anyone wanted a copy of his slides presented today to please contact him or Kit.
5. Nomination And Election of Board Members – Nominations of representatives to the Board of Directors:
 - A. Business: Vice Chairman Jeff Williams stated that Patrick Nauman from Weiser Classic Candy had been nominated to be the business representative.
 - B. At Large: Vice Chairman Jeff Williams stated that Andy Oyervides from Teton Machine had been nominated to be the at large representative.
 - C. Public: Vice Chairman Jeff Williams then stated that Weiser City Councilman Larry Hogg had been nominated for the public representative.
 - D. Vice Chair Jeff then asked for any nominations from the floor. Adam Brown made a motion to close nominations for all 3 positions; Kirk Chandler seconded the motion. Kirk Chandler made a motion to vote for all 3 nominated members; Dan Cummings seconded the motion. The vote was unanimous.



6. Commissioner Kirk Chandler thanked the board and Kit Kamo for all their hard work and successes.
7. Next Chairman Nauman discussed with the group the importance of raising money on behalf of SREDA. Each member should make a list of others that might want to join. Patrick said if anyone had any questions or concerns when speaking with either individuals or businesses to please contact him as he would be more than happy to assist.
8. Chairman Nauman then adjourned the Annual Meeting and told the group we would be having a Board of Directors Meeting immediately following this members meeting to hold nominations and election of new SREDA Officers.

SREDA October/November Board Meeting – October 30, 2018

Chairman Nauman then opened the Board of Directors meeting at 6:55 pm for the purpose of electing officers.

Chairman: Dan Cummings made a motion to nominate Patrick Nauman for Chairman; Jeff Williams seconded the motion. Larry Hogg made a motion to close nominations; Kevin Coats seconded the motion; and the vote for Patrick to be Chairman was unanimous.

Vice Chair: Jeff Williams nominated Ken Bishop for Vice Chair; Andy Oyervides seconded the motion; Dan Cummings made a motion to close the nominations; Dana Young seconded the motion; and the vote for Ken to be the Vice Chair was unanimous.

Treasurer: Kevin Coats nominated Sandy Hemenway for Treasurer; Ron Verini seconded the motion; Dana Young made a motion to close the nominations; Jeff Williams seconded the motion; and the vote for Sandy to be the Treasurer was unanimous.

Secretary: Patrick announced that Randy Griffin was retiring his position as SREDA Secretary. The position was placed on hold and will be voted on at the December meeting.

Two signatures are required on the SREDA checking account. The following SREDA Executive Board members have agreed to be check signers: Patrick Nauman, Sandy Hemenway, Ken Bishop, Mike Hanigan, and Executive Director Kit Kamo (for purposes of using credit card).

Ron Verini made a motion to adjourn the meeting, seconded by Kevin Coats. The motion carried unanimously. The meeting was adjourned at 7:05 pm

Our next meeting will be on December 5, 2018, Farmers Mutual Telephone Company, community room, at 7 am.

Minutes prepared by Kit Kamo, Executive Director

2018 Snake River EDA Report Card



Historical Data

	1ST QTR				2ND QTR				3RD QTR				4th QTR				Total				Grand Total
MARKETING																					
NEW LEADS-REQ FOR PROPOSAL	9	13	11		33	19	36	39	28	33	27	37	252								
SITE VISITS	4	6	6		16	12	22	16	7	13	10	9	105								
Companies landed (assisted)	2	1	2		5	6	7	6	3	3	2	0	32								
2012-16 open projects (still working)	7	9	13		29	20	19	17	26	9	20	0	140								
SITE SELECTORS MET	3	2	3		8	5	11	25	22	27	21	22	141								
CONFERENCES/TRADE SHOWS	2	2	3		7	7	5	11	9	9	8	2	58								
PAID MAGAZINE PUBLICATIONS	1	0	0	1	2	4	6	2	2	3	3	5	27								
WEBSITE LISTINGS (PAID & FREE)	1	1	1	1	4	7	5	4	6	2	5	5	38								
MARKETING TRAINING	1	1	1		3	6	2	3	2	2	6	2	26								
BUSINESS EXPANSION																					
ONGOING COMPANIES MET WITH	1	4	3		8	11	11	7	8	6	11		62								
NEW COMPANIES MET WITH	3	1	1		5	4	6	7	7	13	13	18	73								
BUSINESS RETENTION																					
COMPANIES MET WITH	3	3	3		9	14	10	3	6	7	7		56								
NEW BUSINESS START UPS																					
COMPANIES MET WITH	2	4	6		12	7	6	3	5	6	4	9	52								
*Projects fwd 2012-2016																					
*Project Stanton - Win	Oregon	*Project Kim - Win		Oregon	Focus	Project	Project	Project	Project	Focus	Project	Project	Focus								
*Project Adam & Eve - Win/Win	Idaho	*Project Chipotle - Win		Idaho	Oregon	Project Falcon				Both	Project Mixer		Idaho								
*Project Sears - Win	Oregon	Project Neena - Win		Oregon	Idaho	*Project Babe				Oregon	Project Cut		Idaho								
*Project Jim - Win	Oregon	Project Tractor - win		Oregon	Idaho	Project Operations				Oregon	Project Energy		Oregon								
*Project Bear - Win	Idaho	Project IT-Win		Idaho	Idaho	Project Kelly				Idaho	Project Brooklyn		Idaho								
*Project Sun - Win	Oregon	Project Panic (Tetra) - Win		Oregon	Idaho	Project Tulip				Idaho	Project AK		Oregon								
*Project Hot - Win	Oregon	Project Glass - Win		Oregon	Oregon	Project Sir				Oregon	Project Survival		Both								
*Project Pumpkin - Win	Both	Project 6 Days - Win		Oregon	Oregon	Project Rawhide				Oregon	Project Gemini		Idaho								
*Project Lincoln Logs - Win	Idaho	Project Mini Farm - Win		Idaho	Idaho	Project Sunshine Ranch				Oregon	Project Warehouse		Idaho								
*Project Mountain - Win	Idaho	Project 121 N Main		Idaho	Idaho	Project Sunny				Idaho	Project Paw		Idaho								
Project Salsa - Win	Both	Project MAC - Win		Oregon	Oregon	Project Load				Both	Project Shave		Idaho								
*Project Neighbor - Win	Idaho	Project Soup		Idaho	Oregon	Project Mini Farm				Idaho	Project Explore		Oregon								
*Project Fly - Win	Oregon	Project Tyri		Both	Both	Project Hotel (2)				Idaho	Project 1000		Idaho								
*Project Doug - Win	Oregon	Project Dudley		Idaho	Idaho	Project Mustang				Idaho	Project Red Rock		Oregon								
*Project Bently - Win	Idaho	Project Aliza 1		Idaho	Idaho	Project Mountain 2				Idaho	Project EDA		Both								
*Project Friends - Win	Oregon	Project Aliza 2		Oregon	Oregon	Project Old Joe				Idaho	Project Gem		Idaho								
*Project K (3-3) - Win	Oregon	Project Wild		Oregon	Oregon	Project Mitt				Idaho	Project Spud		Idaho								
Project Hereford - Win	Idaho	Project Chamber		Idaho	Idaho	Project Vera/Yes				Idaho	Project Bloom		Idaho								
				Oregon	Oregon	Project Duchess				Both	Project Duke		Idaho								

Board of Directors & Their Terms

November 1, 2018

Business – Sandy Hemenway, 1 yr, Dan Greig, 2 yr, Patrick Nauman, 3 yr

4 Star Business – St. Luke's, Sean Hackett (or Amy Stahl)

4 Star Public – City of Ontario, Adam Brown

At Large – Rick LaHuis, 1 yr, Ken Bishop, 2 yr, Andy Oyervides, 3 yr

Public – Ron Verini, 1 yr Jeff Williams, 2 yr, Larry Hogg, 3 yr

TVCC – Dana Young

Economic Development – Dan Cummings, City of Ontario, John Breidenbach, Ontario Chamber & Kevin Coats (volunteer Payette Co)

EXECUTIVE BOARD

Chairman – Patrick Nauman

Vice Chair – Ken Bishop

Secretary –

Treasurer – Sandy Hemenway

Past VC – Mike Hanigan

Past VC – Jeff Williams

Membership Board

Public

Payette County – Commissioner Georgia Hanigan

Washington County – Commissioner Nate Marvin (Commissioner Kirk Chandler)

Malheur County – Judge Dan Joyce (Commissioner Don Hodges)

City of Ontario – Mayor Ron Verini

City of Payette – Councilman Craig Jensen

City of Fruitland – Rick Watkins

City of New Plymouth – Mayor Beth Earles

City of Weiser – Councilman Larry Hogg

*City of Nyssa – City Clerk Marla Roberts

*City of Vale – Mayor Mike McLaughlin

Treasure Valley Community College – Dana Young (Abby Lee/Cathy Yasuda)

Idaho Dept of Commerce – Jenny Hemly

Private

St. Luke's – Sean Hackett (Amy Stahl)

Saint Alphonsus – Ken Hart

Zion's Bank – Torie Ramirez

Columbia Bank – Sandy Hemenway

Idaho Power – Mike Ybarguen

4 Rivers Board of Realtors –

Hanigan Motors – Mike Hanigan

Red Apple Market Place – Kimmie Serrano

Argus Observer – Stephanie Spiess

Cascade Natural Gas – Kyle McCauley

Intermountain Gas – Ben Marconi

Nichols Accounting – Doug Lamm

Weiser Memorial Hospital – Steven Hale

Valley Family Health – Tim Heinz

Private (continued)

Malheur Federal Credit Union – Ron Haidle

Farmers Mutual Telephone – Dan Greig

DL Evans Bank – Jerry Smith

Teton Machine – Andy Oyervides

American Staffing – Barry Carlman

Two Rivers Medical – TBD

Kohn Foods (Subway) – John Cox

Biz Zone – Ken Bishop

Three Rivers Insurance – David Gray

Lifeways – Tim Hoekstra

Campo & Poole Dist. – Ralph Poole

PC Energy – Ken Poole

First Interstate Bank – Matt Frye

Weiser Classic Candy – Patrick Nauman

MTE – John Stuart

Eckhardt Oil – Rick LaHuis

Body Shop Fitness – Jim Smith

Revitalize Ontario – Charlotte Fugate

Kalyn Hochstrat

Bob & Janet Komoto

Ontario Chamber – John Breidenbach

Fruitland Chamber – Kimberly Burgess

Payette Chamber – Chelsea Costner

Nyssa Chamber - Char Raney-McGinnis

Vale Chamber - Grace Shuler

Weiser Chamber – Jennifer Huff

Commuters In/Out for Selected Cities

Ontario, OR (2015)

Where workers live			Where residents work		
Area	Count	Percent	Area	Count	Percent
Ontario, OR	1985	27.0%	Ontario, OR	1985	54.5%
Payette, ID	712	9.7%	Fruitland, ID	124	3.4%
Fruitland, ID	400	5.4%	Nyssa, OR	78	2.1%
Nyssa, OR	271	3.7%	Nampa, ID	76	2.1%
Weiser, ID	172	2.3%	Payette, ID	68	1.9%
Nampa, ID	145	2.0%	Vale, OR	64	1.8%
Vale, OR	138	1.9%	Caldwell, ID	46	1.3%
Caldwell, ID	86	1.2%	Medford, OR	37	1.0%
New Plymouth, ID	82	1.1%	Portland, OR	34	0.9%
Boise, ID	73	1.0%	Salem, OR	33	0.9%
All Other Locations	3283	44.7%	All Other Locations	1095	30.1%
Total Primary Jobs	7347	100.0%	Total Primary Jobs	3640	100.0%

Nyssa, OR (2015)

Where workers live			Where residents work		
Area	Count	Percent	Area	Count	Percent
Nyssa city, OR	159	22.7%	Ontario city, OR	271	27.5%
Ontario city, OR	78	11.2%	Nyssa city, OR	159	16.1%
Fruitland city, ID	23	3.3%	Nampa city, ID	41	4.2%
Payette city, ID	19	2.7%	Vale city, OR	29	2.9%
Parma city, ID	16	2.3%	Fruitland city, ID	22	2.2%
Vale city, OR	14	2.0%	Parma city, ID	18	1.8%
Caldwell city, ID	11	1.6%	Caldwell city, ID	13	1.3%
Nampa city, ID	7	1.0%	Payette city, ID	10	1.0%
Weiser city, ID	6	0.9%	Salem city, OR	10	1.0%
Adrian city, OR	5	0.7%	Baker City city, OR	8	0.8%
All Other Locations	361	51.6%	All Other Locations	405	41.1%
Total Primary Jobs	890	100.0%	Total Primary Jobs	986	100.0%

Vale, OR (2015)

Where workers live			Where residents work		
Area	Count	Percent	Area	Count	Percent
Vale city, OR	171	21.0%	Vale city, OR	171	28.9%
Ontario city, OR	64	7.8%	Ontario city, OR	138	23.4%
Nyssa city, OR	29	3.6%	Nyssa city, OR	14	2.4%
Payette city, ID	17	2.1%	Fruitland city, ID	8	1.4%
Nampa city, ID	15	1.8%	Medford city, OR	7	1.2%
Fruitland city, ID	10	1.2%	Caldwell city, ID	6	1.0%
Weiser city, ID	6	0.7%	Payette city, ID	6	1.0%
Jordan Valley city, OR	6	0.7%	Eugene city, OR	6	1.0%
Baker City city, OR	5	0.6%	Nampa city, ID	5	0.8%
Caldwell city, ID	4	0.5%	Baker City city, OR	5	0.8%
All Other Locations	489	59.9%	All Other Locations	225	38.1%
Total Primary Jobs	816	100.0%	Total Primary Jobs	591	100.0%

Payette city, ID (2015)

Where workers live			Where residents work		
Area	Count	Percent	Area	Count	Percent
Payette, ID	440	28.5%	Ontario, OR	712	24.5%
Fruitland, ID	91	5.9%	Payette, ID	440	15.1%
Ontario, OR	68	4.4%	Boise, ID	259	8.9%
Nampa, ID	65	4.2%	Fruitland, ID	176	6.0%
Weiser, ID	54	3.5%	Nampa, ID	107	3.7%
Boise, ID	50	3.2%	Meridian, ID	82	2.8%

Caldwell, ID	50	3.2%	Caldwell, ID	69	2.4%
New Plymouth, ID	31	2.0%	Weiser, ID	58	2.0%
Meridian, ID	22	1.4%	Twin Falls, ID	41	1.4%
Emmett, ID	18	1.2%	Emmett, ID	26	0.9%
All Other Locations	656	42.5%	All Other Locations	942	32.3%
Total Primary Jobs	1545	100.0%	Total Primary Jobs	2912	100.0%

Fruitland, ID (2015)

Where workers live			Where residents work		
Area	Count	Percent	Area	Count	Percent
Fruitland, ID	207	13.6%	Ontario, OR	400	25.0%
Payette, ID	176	11.6%	Fruitland, ID	207	12.9%
Ontario, OR	124	8.2%	Boise, ID	144	9.0%
Nampa, ID	68	4.5%	Payette, ID	91	5.7%
Caldwell, ID	56	3.7%	Nampa, ID	70	4.4%
Boise, ID	52	3.4%	Meridian, ID	44	2.8%
Weiser, ID	39	2.6%	Caldwell, ID	33	2.1%
Meridian, ID	25	1.6%	Weiser, ID	23	1.4%
Nyssa, OR	22	1.4%	Nyssa, OR	23	1.4%
New Plymouth, ID	20	1.3%	Twin Falls, ID	18	1.1%
All Other Locations	729	48.0%	All Other Locations	547	34.2%
Total Primary Jobs	1518	100.0%	Total Primary Jobs	1600	100.0%

New Plymouth, ID (2015)

Where workers live			Where residents work		
Area	Count	Percent	Area	Count	Percent
New Plymouth, ID	33	10.8%	Boise, ID	86	15.5%
Payette, ID	20	6.6%	Ontario, OR	82	14.7%
Fruitland, ID	16	5.2%	New Plymouth, ID	33	5.9%
Nampa, ID	13	4.3%	Payette, ID	31	5.6%
Boise, ID	11	3.6%	Caldwell, ID	27	4.9%
Ontario, OR	10	3.3%	Nampa, ID	24	4.3%
Emmett, ID	9	3.0%	Meridian, ID	23	4.1%
Meridian, ID	7	2.3%	Fruitland, ID	20	3.6%
Weiser, ID	6	2.0%	Twin Falls, ID	10	1.8%
Eagle, ID	4	1.3%	Garden, ID	7	1.3%
All Other Locations	176	57.7%	All Other Locations	213	38.3%
Total Primary Jobs	305	100.0%	Total Primary Jobs	556	100.0%

Weiser, ID (2015)

Where workers live			Where residents work		
Area	Count	Percent	Area	Count	Percent
Weiser city, ID	506	37.8%	Weiser city, ID	506	27.4%
Payette city, ID	58	4.3%	Ontario city, OR	172	9.3%
Nampa city, ID	33	2.5%	Boise City city, ID	145	7.9%
Fruitland city, ID	23	1.7%	Payette city, ID	54	2.9%
Boise City city, ID	20	1.5%	Meridian city, ID	51	2.8%
Ontario city, OR	17	1.3%	Nampa city, ID	51	2.8%
Caldwell city, ID	15	1.1%	Fruitland city, ID	39	2.1%
Meridian city, ID	13	1.0%	Caldwell city, ID	35	1.9%
Twin Falls city, ID	13	1.0%	Twin Falls city, ID	21	1.1%
Emmett city, ID	12	0.9%	Emmett city, ID	17	0.9%
All Other Locations	629	47.0%	All Other Locations	755	40.9%
Total Primary Jobs	1339	100.0%	Total Primary Jobs	1846	100.0%

Note:

Businesses with more than one location sometimes report as a single firm. This could potentially show a large number of commuters to an area where the main location reports from, despite having a local location.

This data is determined by limits. Someone living outside of the limits would be counted in the "all other" category.

Source: U.S. Census Bureau, Local Employer-Household Dynamics, Oregon Employment Department, OnTheA