CITY COUNCIL MEETING MINUTES
October 17, 2017

The regular meeting of the Ontario City Council was called to order by Mayor Ronald Verini at 7:00 p.m. on Tuesday, October 17, 2017, in the Council Chambers of City Hall. Council members present were Ronald Verini, Norm Crume, Tessa Winebarger, Dan Capron, Betty Carter, Ramon Palomo, and Marty Justus.

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

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

Betty Carter led everyone in the Pledge of Allegiance.

AGENDA

Mayor Verini stated amended the Agenda to include the introduction of Kayla Kirksey, Economic Development Coordinator for Revitalize Ontario! Also, the item staff had been expecting to receive bids on that evening, had not bid submission. The item remained on the Agenda for discussion on direction. Lastly, the Council had a received an updated version of Ordinance #2730-2017, which they needed to refer to when discussing it later in the meeting.

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

PUBLIC COMMENT

Charlotte Fugate introduced Kayla Kirksey, who was taking the position of Economic Development Coordinator for Revitalize Ontario! She was a recent graduate of the University of Oregon, where she had majored in Economic Development and Economy.

Kayla Kirksey, Economic Development Coordinator for Revitalize Ontario!, stated she was working as the Economic Development Coordinator for Revitalize Ontario! She was full-time staff, and hoped to gain capacity for the organization. She was currently working on some projects for the city and Public Works, and for the organization to build their Board. They would be having a mixer on the 25th, Wednesday, to introduce the projects to the public and get some community input on the things they were working on. She planned to go in-depth on the projects, and would try to include the downtown businesses especially, as to what they'd like to see downtown. It would be at Mackey's from 5:00-7:00 p.m.

Mayor Verini stated this was exciting. He had seen the preliminary list of projects she was working on, it was overwhelming. If she could get through half or three quarters....

Councilor Justus stated she was going to get through *all* of them.

Mayor Verini thanked her for stepping up, and welcomed her aboard. It was an important responsibility for the city, to move the city forward.

Ms. Kirksey thanked everyone for the warm welcome.

CONSENT AGENDA

CARTER moved, PALOMO seconded, to **ADOPT CONSENT AGENDAS (A) MINUTES OF REGULAR MEETING OF SEPTEMBER 19, 2017; AND (B) MINUTES OF REGULAR MEETING OF SEPTEMBER 26, 2017**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

PRESENTATION

Four Rivers Charter School: Community 101

Rachelle Meyer, Principle, Four Rivers Community School, stated: *For those of you who don't know, we're a dual-language immersion charter school, and I was lucky enough to have these students come with me tonight, and they're going to talk to you all about a grant that I wrote to Oregon Community Foundation. This is a philanthropic grant community-based program that helps kids learn about their communities and the needs in their communities. So, they're going to talk with you about that tonight. So, I'll introduce who's going to be giving that presentation. So, first is Matt Tamez, he is a sophomore with us at the school, and we've got Juan Trujillo, Daniela Martinez, and Inez Nunez. And I'm going to turn it over to them; they're ready to go. Yes, and also I'd like to introduce Mrs. Sheri Moore. She is a teacher for the ..... (someone coughed and drowned out her position)*

Danielle Martinez stated: *We are going to present to you about a grant that we got awarded to us, that Mrs. Meyers' actually applied for and it is a Community 101 Grant.*

Inez Nunez stated: *Who are we? We are from Four Rivers, a bilingual, bicultural, early-college model charter school. There are 20 students in our class, and we were selected by our Principle because of our leadership roles and our business experiences. Our goal is to grant $5,000 to a non-profit organization in our community.*

Ms. Martinez stated: *So, some history on Community 101 is that it is a classroom based program that teaches philanthropy. It is going to give us an opportunity to be involved in our community, and it is also going to teach us about giving grants, receiving grants, and then points on volunteering. And about the Oregon Community Foundation, it creates charitable funds for non-profit organizations in Oregon, and Community 101 is just one of the many programs that they have to offer. So, as a class, we all came together and we are working on this Mission Statement. This isn't the finalized version, but so far we've come up with "To Help Non-Profit Organizations in Malheur County Achieve Certain Goals that May be Limited Due to Their Finances". As we keep on going, we are going to finalize this Mission Statement and turn it into before November 2nd.*

Matt Tamez stated: *So, the process for receiving a grant from the OCF is first be evaluated. The program looks at the community and all the needs. The second step is grant eligibility, and it needs to follow specific guidelines in order to apply for a grant. The third step, which Mrs. Meyers' did for us, was apply on line. This was our first time being in this class, with this grant funding from the OCF.*

Ms. Martinez stated: *Some of the milestones that we've already achieved so far is identifying non-profits and conducting surveys. We also hope to do some community service before the end of October. And then these are just some other milestones that we're going to have throughout the year, and in May, we are going to be announcing to the grant applicants who won a grant, and then who didn't win the grant, and in June of 2018, we are going to send another grant application to OCF, and hopefully continue.*

Juan Trujillo stated: *Our Community 101 class created a student survey that consisted of different issues that have been happening in this area, and there's a lot more issues than we have up here, but the top four that we chose are Suicide, Child Abuse, Mental Health, and Homelessness. Organizations have certain needs, and we've identified so far are Lifeways, the Malheur County Child Development Center, and Project Dove. As we continue to identify community needs, we'll look at more organizations to add to our distribution list.*

Ms. Martinez stated: *We'd like to thank you for having us and for listening to us.*

Ms. Nunez stated: *Another part of the grant is the community needs assessment, and we would like to know what you guys think our biggest needs are in our community.*

Mayor Verini suggested that each Councilor address some of the needs in the community.

Councilor Carter stated the students had identified a few of those already, and those were four great issues. Would the group be selecting all four, or would they be using just one? Or were they asking the Council to identify others?

Mr. Martinez stated they had not finalized whether they were going to give the grants to those organizations, or towards these causes. The groups would send in applications, and they would be reviewed. They hadn't actually chosen any. These were just some they had thought about based on the student surveys received. They also wanted to know what causes the Council thought should be addressed.

Councilor Carter stated for her, it was homelessness.

Councilor Palomo agreed. Homelessness was an issue he wanted to look into.

Mayor Verini stated Councilor Justus had brought to the Council that evening, to reinforce the homeless issue, and the meals that were being given in the community for the homeless, and the nearly homeless people. They wanted to keep that on their radar, so they'd be talking about that later.

Councilor Justus stated the meals funding for Community in Action that was on the Agenda was actually a funding for our kitchen that fed the homeless. There was definitely a funding need. He was thinking a culinary class at the homeless shelter. That would be a good class, right? That would be something he'd be interested in. Our community had an issue with homelessness, so he'd get with Ms. Meyers, and Community in Action was working on that whole thing, so they should add them to their list.

Ms. Meyers stated that the kids just started the class, so they had their timeline. They'd done a lot in a short time to get this rolling. The intention of the grant was for students to come up with the causes they felt were the needs in their community, so that's this result, but it was also to go out into the community and get input from the community about what they saw as some of the issues. They could fund several, and they invited non-profits who surround themselves in some of these issues, and they could award the grant money, $500, $1,000, to several different non-profits, so it's not just one non-profit that received the funding. It was really led by the students.

Councilor Crume stated if they could work in the mental health area that would coincide with the homelessness. On his time on the Council, he'd heard the Police Chiefs talk about mental health issues in our area, and how they dealt with those individuals on a daily basis. It appeared that our area didn't have a qualified mental health system for those in need. Looking in that area would be worthwhile.

Councilor Winebarger stated the students hit it on the head. They had done awesome. It was all health and safety, and it was important to her. She worked in health care, and she saw city staff dealing with the safety issues, and it all tied together. They were all great causes.

Councilor Capron stated he personally knew two of the students who had presented, and they had all done a good job. Mental health and suicide would be together. He donated to a lot of things like this, and if he were to choose, those four would be on the top. Ultimately, it would be up to the students, but they'd done their homework, and they had done very well.

Mayor Verini thanked the students for their presentation.

OLD BUSINESS

Ordinance #2730-2017: An Ordinance Adding Chapter 15 to Title 1 of the Ontario Municipal Code to Establish and Enforce a Civil Penalty Process Within the City [Final Reading]

Larry Sullivan, City Attorney, presented.

The report the Council had received from Mr. Brown was based upon an earlier draft that was included in the packet. That draft had some changes on it that he had requested be made. After that draft came out last Friday, he had gone back through the ordinance in more detail, and identified a section that he wanted removed, allowing him more time to work on it. The ordinance that was approved at the first reading dealt with two fairly broad topics: one, the creation of a civil penalty process within the city and the establishment of a Hearing Officer position to conduct the penalty process; second, a whole section of the ordinance that dealt with the city's substantive nuisance code. While reviewing, he recognized the changes that were being proposed needed to be better coordinated with the city's existing code provisions dealing with nuisances. Therefore, he requested that all of the nuisance language be pulled from the document. He would be meeting with Chief Kunz and Dallas Brockett, [Code Enforcement Officer] who was instrumental in drafting the ordinance, to develop ways to revise it. He indicated to them that he would have those provisions back in a separate ordinance, quickly, as he was aware the Council was anxious to have revisions made to the nuisance provisions in the code. He hoped to have it ready by the next meeting; if not that one, then certainly by the next one. The result in front of the Council that evening was an ordinance that was substantially shorter than the one that had been approved at the first reading. The size went from 38 pages, down to 16. What remained was all the substantive ordinances changes dealing with the actual civil penalty process. The changes were mostly cosmetic to those particular sections of the ordinance. The code had a way of referring to ordinance sections, and all the ordinances passed by the city had consistently followed that procedure.

Pursuant to the Ontario Charter, any changes in an ordinance between first and second reading, had to be presented to the Council prior to the final reading.

Mayor Verini verified that the changes would not change the intent or the letter of what they were approving. The motion that evening would be made for the second reading, correct?

Mr. Sullivan stated that was correct. The Council could approve the ordinance on a second reading that evening, as long as he complied with the Charter requirement to identify all the changes made between the first and second reading. The first change was in the Title. When they were ready to make a motion to approve the ordinance, he asked them to use the Title that appeared in the hand-out, not what was in the packet. The new Title read: *"An Ordinance Adding Chapter 15 to Title 1 of the Ontario Municipal Code, to Establish and Enforce a Civil Penalty Process within the City"*. The original ordinance, approved on first reading, included that language, but it also included changes to Title 2, by adding Chapter 15, and it also included revisions to Title 7, which was the nuisance language. This revision took the portion of the ordinance that had been included in Title 2, and added it to Title 1. Again, no substantive changes. Further, every place in the original ordinance that had a section number identified, all those had been changed. For instance, in the original ordinance, the section numbers were numbered 15.1, 15.2, down to 15.39. Those section numbers had all been changed to include the Title of the code provision added to it, reading 1-15-1, 1-15-2, which was the way all the city's ordinance were referred to. That was the non-substantive change made. There were a number of places where there were references to OMC Title 1; all of those references were changed to refer to specific section numbers. He had also added the language to cover the section on Severability, under 1-15-41. The original ordinance had a whole series of additional sections that dealt with the nuisance code. All those changes were being made in Title 7, but all those changes had been removed. That resulted in the deletion of the original Section 3, 4, 5, 6, and 7. Those would be reworked and presented to the Council under a separate ordinance. That covered all the changes that occurred between the first reading to current.

Mr. Brown stated it was his understanding that they were just looking at "process" and what had been removed would come back before the Council, reflecting what they could actually "enforce". This revision established the process for dealing with the civil penalty, but the actual items they could enforce the process, had to come back.

Mr. Sullivan stated there were some situations he anticipated that they would have specific code provisions that were going to be appealed because they conflicted with the new nuisance language that would appear in the ordinance. The original ordinance had adopted many changes to the nuisance code, but it hadn't specifically repealed those inconsistent provisions in the city code. It was all lawyer stuff intended to avoid situations where the city code would have duplicate provisions, which could potentially raise questions about duplicate and inconsistent provisions. He wanted to make sure any of those possible issues could be eliminated.

Mayor Verini hoped to see it at the next meeting, but it would probably be the first work session in November.

Mr. Sullivan agreed.

Councilor Justus asked if they could hire the Justice of the Peace to be the Hearings Officer. She was a Judge, and she had it all set up already.

Mr. Sullivan didn't think so. A provision in the Oregon Constitution read the same person couldn't work for the Judicial Department and the Executive Department at the same time.

Mr. Brown stated staff had several ideas about that, including people at SRCI or a retired judge or police officer, so there had been a number of ideas presented that would work for that position.

Councilor Justus stated so, they had a Hearings Officer, and the city had an expense, so at some point, when someone appeared before the Council and there was a fine for tall weeds for $100, and the cost of coming to the "court", was there going to be a court cost fee established, to ensure the city was reimbursed for the time and effort used in preparing a Hearing? If someone got a ticket for $100 for high weeds, and the person wanted to contest that, and there was no fee associated with that, it was easier to contest, but if there was a $100 fine *and* a $150 court cost, maybe the fine would just be paid.

Mr. Sullivan stated there was a provision in the ordinance for assessing the cost of having a Hearing.

Councilor Justus asked it was "can" be or "will" be?

Mr. Sullivan stated it could be discretionary with the Hearings Officer. The ordinance also allowed for the creation of administrative rules, which the City Manager could develop and have the Council adopt, making those costs mandatory. There was a section in the proposed ordinance which dealt with that.

Councilor Crume stated he believed it was under 1-15-14, and he, too, had a question on that. It read that a fine shall not exceed $2,000 per day. He struggled with not having a defined figure for certain types of violations. It appeared too open-ended, and there was no way to determine, at least with what they'd been given, what a fine should be. It looked like it could be all over the board depending on who decided to figure it out. He didn't feel that was appropriate.

Mr. Sullivan stated when the ordinance was originally drafted, it included a number of very specific penalties relating to various nuisances. He pulled all that out. What the Council had now was an "umbrella" that would determine the process that was followed once the city went through a nuisance enforcement action. That ordinance that set out those particular penalties. It would be the one that would come back before the Council when they adopted the nuisance changes.

Dallas Brockett, Code Enforcement Officer, stated they were working on a civil penalty matrix, which addressed if it affected public health and safety, the severity of that. Accumulation of garbage might be three points, or weeds might be two points in the summer, where it could be dry and a fire hazard. Garbage would attract bugs and pests, and it smelled. The matrix had different categories and there was a point system attached to that, going from $100 to $2,000. The City of Salem had the appeal fee of $150 included in their abatement notice.

Councilor Carter stated on page 5, under Delivery of Abatement Notice, 1-15-10, and right under that was 1-15-15; she believed that should be 1-15-11.

Mr. Sullivan stated his agreement, and it would be corrected.

Councilor Justus stated someone was assessed a fine of $200, and they appealed for $150, and they lost, but then they didn't pay. When the city liened the property, that was triggered by the rules and regulations portion?

Mr. Sullivan stated the Hearings Officer was going to impose a fine, and that fine would become the lien that was assessed against the property. It would be the Hearings Officer that made that decision.

Councilor Justus verified the Hearings Officer would say, okay, they were going to uphold the $200 fine and the $150 fee, for a total debt of $350.

Mr. Sullivan stated the appeal fee would have to be paid at the time the appeal was filed. They couldn't "owe" that fee; it had to be paid at the time of filing.

Councilor Justus asked what happened if the Hearings Officer deemed the action was not valid; would the $150 be returned?

Mr. Sullivan stated yes.

Councilor Justus stated the Hearings Officer said the person was in the wrong, pay the fine, then the lien, by state statutes that indicated the lien was placed on the property, and showed how much per annum would be charged.

Mr. Sullivan stated 9% was the statutory rate in Oregon.

Councilor Justus verified it would be filed with the county, and when the property was sold, the city would collect their money. Would the lien ever expire?

Mr. Sullivan stated no, if it was done as a formal lien filing. That hadn't been the process used so far. Staff had been sending them to collections. This didn't deal with the process the city followed once the penalties were established.

Councilor Justus asked where that would be established.

Mr. Sullivan that could be handled as an administrative rule. The Council had the right to provide input on that. Kari Ott [City Finance Director] had provided a spreadsheet previously that showed the rate of non-collection was fairly low in comparison to past results. The Council could decide if they wanted to incur the expense of imposing liens, filing a lien document with the county clerk for a lien in the real property, or just continuing to follow the current practice. That would be a financial decision. The City of Ontario did not have a lien docket.

WINEBARGER moved, CARTER seconded, **THAT THE COUNCIL ADOPT ORDINANCE #2730-2017: AN ORDINANCE ADDING CHAPTER 15 TO TITLE 1 OF THE ONTARIO MUNICIPAL CODE TO ESTABLISH AND ENFORCE A CIVIL PENALTY PROCESS WITHIN THE CITY ON SECOND AND FINAL READING BY TITLE ONLY.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

<u>Sales Tax</u>

Mayor Verini stated with regard to this issue, it was a discussion in relation to what the Council had been hearing in the community, a result of he and Dan Capron attending the No Tax Ontario committee meeting, and he'd like Mr. Brown to present much of what they'd been hearing. What they had been hearing was exactly what they'd been talking about over the past year. Most of this had been discussed already, in-depth, and it would probably be discussed in the future. Tonight, they just wanted to touch on the community discussions and to refresh their memories on what they could be looking at regarding the possibility of cuts in the future.

Adam Brown, City Manager, presented.

He was not recommending any action. He wanted to go over some of the issues that Councilor Capron and Mayor Verini shared with them from that meeting. The city had held multiple meetings, and many people that attended the No Tax Ontario meeting, did not attend the city meetings.

Councilor Capron and Mayor Verini attended the meeting to discuss the sales tax, and remained afterwards to listen to community feedback. These issues were being shared for the benefit of the entire Council. Feedback received for consideration were: relieve burden of collection on business owners; cap the sales tax by Charter amendment; grocery sales tax regressive; sunset provision; they don't know what the money will be spent on; and they don't know what will be cut if not passed.

- Burden Of Collections On Business Owners

  One option would be to give the business owners a collector's fee to reimburse them for collection costs, similar to the way it was done with the Transient Occupancy Tax. The hoteliers kept a small percentage for their costs. For example, 10% of the collected tax could stay with the business owner for administrative costs. For $10 spent, 9¢ would go to the city, and 1¢ would be retained by the business.

- Cap The Sales Tax By Charter Amendment

  The city could send to ballot, and it would have to be by ballot as that was the only way a Charter amendment could be done, to impose a cap of the 1%, or it could be given some room at 1.5%. Most in the room who had been through this discovery process, agreed that they didn't want to see business lost over this, and while those in the room currently didn't have any intention of rising it out to put them out of the market, there was fear that others, beyond the current Council, could make that recommendation. A cap might alleviate some concern.

- Grocery Sales Tax Is Regressive

  They had heard may times that the grocery sales tax was regressive, because it was a basic need. That would be at a cost of $2.2M if that piece were eliminated. They had also discussed waiting to see what Idaho did with their grocery sales tax.

- Sunset

  This was popular in a lot of bills at the state and federal level. They could use something like in five years, the tax would end, and it would either have to be reapproved by the Council or voted on by the people.

- What Will The Tax Be Spent On?

  They had already discussed many times the General Fund deficit [$900k], as well as the Street Fund deficit [$700K]; those were the two primary motives for taking this step. There were some things in play that were done in the last legislative session, such as the Transportation Bill, which would remove some of that Street Fund deficit. In review of the ICMA study, for both Police and Fire portions, there were five positions in the Police Department that had been recommended [$500K], as well as one Fire Fighter position [$110K]. They also discussed increasing the part-time Code Enforcement Officer to full-time [$50K]. The Aquatic Center was something near and dear to many community members [$300K]. Funding the second half of the Airport Manager's costs with some investment capital [$100K]. There were assets at the Airport that were going to depreciate. Beautification/City Gateway [$100K] and Place-Making/Downtown Investment/Trails/Playgrounds [$200K] were important to making this a livable city, and while many didn't fully appreciate the value of those, those were the types of things that many people commented on. Finally, the Capital Plan, covering vehicles, buildings, etc., [$450K], they hadn't built in funding depreciation in many departments, but a few had, such as the Fire Department. City buildings were, by nature of their construction, on a fixed life span.

- What Will Be Cut?

  None of these were popular, and it was difficult to discuss with anyone, especially those in the community. There was the Recreation Department, and for soccer alone, over 900 kids played each year. This would eliminate all youth and adult recreational activities; City Hall Front Desk Reception, would see reduced hours for customers, and slower responses to phone inquiries; Code Enforcement Reduction would see public property nuisances increase, and the ability to cite and act on derelict properties would be even further reduced than it was currently; for Public Safety, it would mean the reduction of one Fire Fighter position and two Police Officer positions. This would result in delayed response time, more reliance on the volunteer fire fighters, and police officer safety would be compromised, as well as the safety of the public; Malheur Transit funding, which would have a multiplied impact due to leveraging power of local funding. The city's $15K contribution likely funded around $300K in federal and state money. Also, there could be job loss for individuals who utilized public transit for getting to work, a loss of mobility for the elderly, and the area was already suffering from a labor shortage; SREDA funding, which would decrease the area for marketing and economic development, along with the cross-river collaboration; and eliminate park maintenance for some or all parks.

The City Council had already taken action by passing the sales tax ordinance. An appeal had been filed, and staff was waiting to hear the outcome of that appeal.

Councilor Capron stated at the meeting, one thing Dan Lopez said when people started talking about what they liked or didn't like about the 1%, he said he was just there because it wasn't put to the voters. That was just his issue, it not being put to the voters. He hadn't talked about what he liked or didn't like, it was that the citizens didn't have the vote. That's why he was doing the petition.

Councilor Winebarger stated the biggest thing she'd heard was that there wasn't enough information, they didn't know what the money would be spent on, or what would be cut. A lot of that had to do with people not coming to the meetings, or the media didn't report the fine details, so it was important that they keep having those conversations, and to put those slides out there that showed what would be eliminated, or what could be gained. She'd had people ask what they'd get from this, and she told them they could fund fire or police positions, or the Aquatic Center, and they wanted to know how much money the city would expect. She told them it was stuff that had been discussed, but it was obviously not getting out there, so they all needed to work to get that out there. There was definitely a gap somewhere.

Councilor Crume agreed. He wanted to see a list of the recommended cuts prepared by the City Manager, presented to the Budget Committee, and whatever dollar amount that would be. But, also use the dollars that could potentially be coming in from the state for whatever projects. Something like that in the hands of the Council could be discussed with members of the community, or the media, anyone who asked. One thing that had not been discussed was the not really knowing how much money that 1% would actually bring in. It would be "x" amount of things if they brought in $1M, $2M, $3M, etc., but over the years they had struggled with System Development Charges issue, and much of the talk they'd had with the sales tax was talking about people from outside the city coming in and using our infrastructure , our roads, our police, or fire/medical, etc., and many times the SDCs were for traffic situations. Many years ago, when a sandwich shop wanted to build on the east side of town, because of having a drive through window, their SDCs were raised dramatically because of the traffic impact. When that came before Council on appeal, they all agreed it was excessive, and helped the business move in. He wanted them to think about if the city received sales tax, maybe use some of those funds to eliminate or greatly reduce the SDCs, which would help on homes being built in the area. He had heard it was around $1,000-1,500 per home. That would make it less expensive to build here, instead of going across the river. If the city had incentives of that nature being paid for mostly by the visitors to our town, it was worth looking into.

Councilor Winebarger stated she had spoken with a Councilor at the LOC conference, and the comment had been made that he was sure Ontario had SDCs, so if the sales tax went forward, would the SDCs be eliminated.

Councilor Crume stated it had been a battle for the city for years. No one really knew what to do about it. For some places who wanted to come in, it was a real hardship. Tell the public that some money would be used for road maintenance, etc., as well as for basic operations of the city.

Dan Cummings, Economic Development Director, stated with regard to the SDCs and traffic impact, that was something that would probably benefit the community, if the sales tax moved forward and they shifted money towards the streets. That was one of the city's biggest problems, people coming in using the streets. It would help economic development to remove the SDCs. On the east side, there were also traffic impact fees that were in addition to the SDCs, and they were supposed to be collected on the North Interchange and on 201. A sales tax would be paid for by *everyone* using the roads, not just the single businesses coming in each time and having to pay a huge deposit down for future development. A comment had been made by Riley Hill at the No Sales Tax meeting saying that the sales tax was adding $1,000 to residences, but that wasn't really true, because most contractors would be wholesale buyers, meaning no taxes. Currently, traffic impact fees on a residential house were at $1,200. If tax money was shifted to SDCs, residential housing and commercial buildings, would go way down, which would promote businesses in town much more than a 1% sales tax would ever hurt. It would be a huge plus, in his economic opinion.

Councilor Crume stated he thought someone had spoken with some of the contractors that were currently building in Idaho, and they said it was more costly to do business in Ontario. In essence, that would help substantially.

Mr. Cummings said it would help a lot. He was in the process of collecting numbers, since it seemed to be such a big subject. He would use a $200K home built in Fruitland vs. the same in Ontario as his sample. Fruitland removed their SDCs, but it went on their property tax rolls. There had been a bond for their sewer and water, etc., so they stopped seeing it at the permit stage, but they were still paying it, just now through their taxes.

NEW BUSINESS

Meals Funding for Community in Action

Councilor Justus stated he had spoken with Angie Uptmor from Community in Action, and he wanted to table this action. They would be putting on a presentation for Ontario, Vale, Nyssa, and the county, so that there was a joint response, because it was everyone's problem, not just Ontario's. He wanted to talk about it and address the problem. The Nyssa Police Chief was at one meeting, and he said they should be anticipating the homeless population growing by a minimum of 10% per year because of Oregon's decriminalization of drugs in the state. People are going to be migrating over, who had addiction problems.

Mr. Brown stated it was an unsolved community issue.

Mayor Verini stated the total needs for the meals was approximately $45K per year. That was their base that they worked from. He sat on the Board of Directors for CinA, and they took that very seriously.

Hangar Leases at Ontario Municipal Airport

Adam Brown, City Manager, presented.

These were two leases that were changing hands. They were not new buildings. Earlier in the year, at the request of the Airport Committee, the Council had amended the code so the Airport Committee didn't have to approve renewals or sales; they'd go straight to Council.

CRUME moved, WINEBARGER seconded, **THAT THE CITY COUNCIL APPROVE THE LEASE AGREEMENTS BETWEEN THE CITY OF ONTARIO AND SNAKE RIVER VALLEY EXPERIMENTAL ASSOCIATION, #837, FOR 317 GOLF AND 373 AIRPORT WAY; AND BETWEEN THE CITY OF ONTARIO AND KEVIN DALE CRUSON AND MICHELLE CRUSON, FOR 358 CHARLIE AND 343 DELTA.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Resolution #2017-134: ODOT Grant Funding Availability for North Park Boulevard Sidewalk Project

Betsy Roberts, City Engineer, presented.

ODOT informed the city that there were additional funds remaining from the NW Washington project which could be used for work on North Park Boulevard, in the amount of $75K.

The Jobs in Transportation Act (JTA) grant that allowed for the construction of the NW Washington Street realignment had additional funds available that were used to cover the purchase of right of way for the future extension of North Park Boulevard from NW Washington to Malheur Drive. ODOT recently informed the city that even after purchase of the right of way, there were grant funds remaining. The amount is approximately $75K. Because of the multiyear duration of this project, the state would like to have this work completed as quickly as possible so they are able to close out the overall project.

Council has been kept informed of this project as the pieces have come forward for additional spending in the past. Constructing the sidewalk on the east side of the existing portion of North Park Boulevard was the actin selected by Council previously, in the event there would be funding available after the right of way purchase.

This project was a reimbursement project in which the city paid the contractor for work completed, and then submitted payment information to ODOT for reimbursement. There was no match attached to these funds, but if the cost of the work exceeded the state's available funds, the city would be responsible for that overage.

When ODOT informed CH2M staff of the funds availability, local contractors were contacted to determine whether there would be any response to a Request for Bids within the construction community. Staff received a positive response to that question, and subsequently developed a Request for Bids to be distributed to at least three local contractors in an informal bid process.

The funds available from ODOT were part of a grant. The city would be responsible for paying the contractor for work performed, but would receive full reimbursement for that payment up to the amount of funding available from the state. There were no match funds required from the city. We were in a use it or lose it situation.

The state has expressed urgency in completing this project.

Mr. Brown stated they also needed to approve the resolution for the budget appropriation portion of this action. Resolution #2017-134 was in their packet. It would move the money from a previous project to the sidewalk project.

CARTER moved, JUSTUS seconded, **THAT THE CITY COUNCIL APPROVE RESOLUTION #2017-134, A RESOLUTION FOR ODOT GRANT FUNDING AVAILABILITY FOR NORTH PARK BOULEVARD SIDEWALK AND THAT THE CITY COUNCIL GIVE CONTINGENT APPROVAL TO AWARD THE NORTH PARK BOULEVARD SIDEWALK PROJECT TO THE NEGOTIATED LOW BIDDER IN AN AMOUNT LESS THAN $75,000.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Building Incentive Program

Adam Brown, City Manager, presented.

Mr. Brown had spoken individually to the Councilors about the proposal. This area lacked many parts of the spectrum for housing, but particularly with not having single-family housing, low-income housing. After making the presentation earlier that week, he looked at data provided by the Economic Development Department, showing the number of new construction building permits pulled over the past five years. Over the past four years, there had been only three approved new construction houses per year, so twelve over that four year span. Not very impressive, considering things were booming on the other side of the river. A community challenge was getting housing over here. One thing they'd heard, as they discussed the sales tax, was how to grow their way out of this problem. Growing out of the problem would require doubling the taxable value, which would not be possible, but one thing they could do was try to jump start the housing margin on this side of the river. There was demand. He had spoken with Councilor Justus, due to his real estate experience, as well as a couple of contractors. Then Councilor Justus set up a meeting with a builder on the other side of the river. One comment had been that there was demand over here, people asked for construction over here, but given the choices, some of which they'd already discussed, people would build in Idaho because it simply cost less, and two examples were provided. For plumbing, Oregon required two plumbing contractors vs. one in Idaho. One plumber to tap from the city main to the property, another plumber to tap from the property to the house. Idaho allowed one to do both. The ratio of electrical apprentices in Oregon was lower than the ratio in Idaho. Work crews, for an electrician, they could spread out much faster across the river. Those two things alone added several thousand dollars. Add that in with SDCs, and the cost could be prohibitive. It was understandable when a builder, building as fast as possible, when they had a choice, the choice was obvious.

The question became, how do they grow the local economy? Increase the housing stock, resulting in property owners who paid taxes. There was plenty of low-income multi-housing units. There was some high-end housing. But, they also needed room to upsize their housing needs within the same community. There were jobs in this community, but it was hard to sustain the infrastructure for those jobs. New growth needed to be subsidized.

He began thinking of how to reduce the transaction cost differences in Oregon. They had to provide a financial reason for someone to build in Oregon. The city had a Business Loan Fund, which had only one application for this year. The Fund had not really been utilized. The purpose of that fund was to provide financial opportunities for businesses to come to the city, which might not otherwise be able to. People investing in our community was just as important as a business investment. Looking at the BLF that way, under the proposed program, the Fund would provide financing to businesses willing to come here to build the housing stock, giving opportunities there were not currently available. The builder would make the agreement with City Hall, and it would be on the front side of the building. The city would agree to that upon completion of the building and receipt of the Certificate of Occupancy Permit, showing the building was move-in ready, the city would pay $10K per unit out of the BLF. He and Councilor Justus had spoken with several builders who indicated that would get them to build here. Some said they'd build investment property for an incentive like that. It being a revolving fund, to keep that fund whole, they could structure a repayment strategy out of it. Typical loans that were being done were at around 10 years. Repayment strategy would be taking the taxes the city would receive for that house over the next year it was occupied, and turn it back into the Fund. There was roughly $450K in the Fund, which would work for 45 houses to begin with. They would not single out any builder; it would be first come, first served. Some talked about doing multiple houses. There would need to be some restrictions, such as a time limit for building the homes, as well as the size and type of houses. They were leaning towards single-family homes on a permanent foundation.

Councilor Crume stated the idea sounded good, but in talking with the construction companies, was the $10K incentive enough for them to build spec homes here?

Mr. Brown stated that was his impression.

Councilor Justus stated part of the problem was identifying developments where they could build new single-family houses. There was the Poole property, Sage Meadow, there was six acres off NW 4th, zoned high-density residential, but along with this project, they had to identify some property that would be ready for development so the city could put in some subdivisions. He had not spoken with Mr. Brown about this, but he had been thinking about an incentive that instead of offering the $10K to the builder, they offered it to the buyer. Say, Mr. Buyer, if you decide to build in Oregon instead of Idaho, at closing you're going to get $10K. Now, that buyer had an incentive to build, the builder is going to build because he was going to build anyway, the cost of the house was still the cost, but the buyer would get $10K at closing. To do that, the lot would have a base tax price on it, so that tax that the city would collect from the lot would go back to the General Fund. The increase in the revenue from the difference between the lot tax and the structure tax, which would go back to the BLF to pay off the $10K for that house. They'd need to do the math to see how long that would take. Then, put in a soft second, saying to the buyer that the city was going to give them that $10K, but the buyer had to occupy that house for a minimum of however long it took to repay that loan. Either occupy it or own it. The first year, 1/10 of the loan gets rescinded, the second year, until that $10K was paid back. Right now not only did the city have owner-occupied property, but they were encouraging owner-occupancy. Now, there would be 45 houses that would have been built in Fruitland, now being built in Ontario. This was verses the builder saying hey, we got the $10K, but the incentive, if the builder had ten clients that said they wanted to build ten houses in Ontario, they builders were going to build them anyway, either place. But it would incentivize the buyer, and incentivize owner-occupancy, which was very important. Owner-occupancy verse tenant occupied, the first had pride of ownership to name one. That was his suggestion.

Mayor Verini stated after the fourth or fifth year, they buyer sold the home, would that move with the new buyer or would it call the loan?

Councilor Justus stated it would call the balance of the loan.

Mr. Brown stated he believed they had a bigger challenge getting the builders here. To put the incentive on the buyer would be more difficult to get a subdivision in place.

Councilor Crume stated he liked Councilor Justus's idea of the owner having to live there and pay it back, but what about doing a hybrid of doing both ideas? Building spec houses for people that wanted to move here but who didn't have time to build a home, giving the incentive to the contractor. But also make it available, too, to those who wanted to build their own home. Do both, not one or the other. Offer it to the contractor to build a spec home or a home they had a sale for. The spec home would be big.

Mr. Cummings stated there was one spec home being built right now, but they were very few.

Mr. Brown stated the sweet spot for homes in this area was around 1,800 square feet. Putting it in the builder's hands, it seemed like it would be utilized much faster.

Councilor Justus stated he was okay putting it in the builder's hands, if the city required that it was owner-occupied. He didn't want to promote investment housing. He wanted to promote owner-occupancy, and however they could, he was there! Whatever they could do to get owner-occupancy, he was on board.

Councilor Carter asked were some property was located?

Mr. Brown stated there was residential areas available.

Councilor Justus stated the $10K per house would go a long way towards bringing water and sewer to some property.

Mr. Cummings stated that was about half the cost of the development of a city lot.

Mayor Verini asked Mr. Cummings to point out on the map where the available property was located.

Mr. Cummings stated "this" 80 acres was all vacant now. It was zoned RS-50, Single-Family Residential. There was also all "this" right in "here", zoned RS-50, which was where the Poole subdivision was located. Riley Hill owned all of "this", that was zoned PD, so RS-50 or Duplexes. Everything in the red checkered area was residential land still in the Urban Growth Area. There was a huge amount of residential ground that could be brought in, but some developers sat on it. That has been happening. Riley Hill bought "that" up and was just sitting on it. Navarette's bought "this" and they were farming it, but basically sitting on it. There was residential ground, but a few people bought them up and didn't develop them. He had recently been dealing with a family that had a nice five acres that they wanted someone to develop. He hoped someone didn't just buy it and sit on it. It was in a nice part of town. There was a lot of ground that they could bring in, but the problem was it was hard to bring in too big of a chunk of residential until you used what was already available. They would have to justify the needs to the state. If there was land already inside the city limits, the state wouldn't want more brought in.

Councilor Crume stated the area Mr. Cummings' indicated was owned by Riley Hill, right above that was another color, was that another residential piece?

Mr. Cummings stated no, it was commercial. "This" was the other place. Mr. Hill owned "this" chunk. He bought "this" 40-50 acres, and Naverette bought "this" 40 acres of residential.

Councilor Crume asked if that green piece belong to Saito.

Mr. Cummings stated it did, but it was commercial, not residential.

Councilor Crume stated he thought when they brought "that" piece into the Industrial Zone for Hasabee's property, and the other people, that the green area was set up for residential.

Mr. Cummings stated "this" was already in; "these" were the two pieces they brought in. "This" one was already in and zoned Commercial. "This" was the piece brought in, "this" and "this" were the last two brought in. He'd double-check, but he didn't believe it came in, but he knew it was zoned Commercial.

Councilor Capron said if a house was valued at $200K, then the builders would sell at $190K?

Mr. Brown stated the market would determine that. The goal was to get it occupied. Twelve houses over the past four years was not good. With this type of incentive, they might get twelve in one year.

Mr. Brown stated they would have to make some revisions to the BLF, so they'd give that a look. They'd also need to come up with some agreements. He wanted to work with Mr. Sullivan on that, as well as revising the BLF. He'd also appreciate any Councilor ideas about this concept.

Councilor Capron wanted it well known that these funds were from the state, not out of the city's coffers.

Unanimous consensus to move forward with the concept.

SCADA Emergency Purchase Notification
Adam Brown, City Manager, and Betsy Roberts, CH2M, City Engineer, presented.

Mr. Brown stated his part was that he had approved an emergency purchase for this, and, per policy, he was required to let the Council aware whenever he did that.

Ms. Roberts stated an emergency purchase was made for the Supervisory Control and Data Acquisition (SCADA) system. This system provides warning alarms for the wastewater system when a failure occurs. The primary and backup SCADA systems failed, and it has been running on a cloud-based solution until a permanent solution could be found.

Staff received a proposal from Advanced Control Systems to provide a permanent fix and move the collections system SCADA to the cloud and their Carefree Program. The Water Treatment Plant was already moved to that same system.

Given the urgency of having a permanent fix, the replacement system was an emergency situation. Per city policy, the City Manager had authority to approve the purchase, and was required to notify the Council at the next meeting when an emergency purchase as been made.

The Wastewater Fund would have an additional $270,000 in the budget that would not be used, as the facilities plan would be done in a future year pursuant to the draft NPDES permit; however, the budget included a review of the SCADA system. The proposed cloud solution was $16,855. It was his recommendation to transfer funds from the Facilities Plan Capital Budget for the SCADA replacement system.

The SCADA was the monitoring system for the entire wastewater collection system. It was critical to have a permanent solution in place that was based specifically upon Ontario's system.

CRUME moved, CARTER seconded, **THAT THE CITY COUNCIL APPROVE THE TRANSFER OF $16,855 FROM THE FACILITIES PLAN PROJECT TO THE SCADA REPLACEMENT PROJECT**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

RESTATED MOTION FOR RESOLUTION #2017-134
CARTER moved, JUSTUS seconded, **THAT THE CITY COUNCIL APPROVE RESOLUTION #2017-134, A RESOLUTION RECOGNIZING UNEXPECTED GRANT REVENUES FOR THE NORTH PARK BOULEVARD SIDEWALK PROJECT.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

HAND-OUTS/DISCUSSION ITEMS

August – September 2017 Check Register. No comments.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

Councilor Winebarger stated her thanks to everyone for the flowers she received from the City Hall Crew following her surgery. She was very appreciative of everyone who checked on her, and she was glad to be back on her feet.

Councilor Winebarger wanted to thank Hunter Morrow for his nice article in the Argus, but he'd already departed. She had been elected to the League of Oregon Cities Board of Directors. She would be attending those meetings quarterly, and she wanted all the input from everyone that they wanted taken to the meetings. She was the first representative from Malheur County ever, so yay for us, we have a voice.

Councilor Winebarger stated it was still in the early stages, but she was working with a group of younger elected officials throughout Oregon, who were working on a Constitutional amendment to get the age to serve in the State Legislature lowered from 21 to 18. She would keep them all involved.

Councilor Winebarger stated at the LOC Conference, they had a group attend, who made a presentation on their Youth Advisory Committee. The kids were phenomenal. She, herself, wasn't necessarily looking for a full YAC panel, yet, but wanted to at least engage some of the younger sect more. That YAC invited kids from the local schools to come to their meetings, who actually sat as a member for communication. The YAC rotated the seat around the various schools in the area.

Councilor Capron had hoped that Hunter would stay, to maybe print the ten good points where the tax money would be spent, and the eight points on losses to the city with no sales tax. Not print half one time, and then maybe half another time.

Councilor Palomo stated his appreciation for attendance at the LOC Conference. It had been very informative. There were many things they broth back from that conference, a lot of good conversations, and a lot of good networking. He was looking forward to meeting up the City Manager to go over some things.

Adam Brown stated if the Council had an opportunity, please find someone who would do well on the Diversity Advisory Committee, as they were lacking applicants. He had met with some of the people who helped create the DAC, and they were taking applications out into the community, seeking applicants. There were no age limitations. They were actually seeking various ages, ethnics, genders, etc.

Cliff Leeper, CH2M, Public Works Director, stated on Thursday, a group of them would be going to Pendleton to receive the State of Oregon Sustainability Award for Public Works Operations. They had received this prestigious award for the City of Ontario.

ADJOURN

CRUME moved, CAPRON seconded, that the meeting be adjourned. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

ACCEPTED:

Ronald Verini, Mayor

ATTESTED:

Tori Barnett, MMC, City Recorder