CITY COUNCIL MEETING MINUTES
August 15, 2017

The regular meeting of the Ontario City Council was called to order by Mayor Ronald Verini at 7:00 p.m. on Tuesday, August 15, 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, Terry Leighton, Larry Sullivan, Kari Ott, Dan Cummings, Anita Zink, Cliff Leeper, and Betsy Roberts.

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

Marty Justus led everyone in the Pledge of Allegiance.

AGENDA

Adam Brown, City Manager, added a draft ordinance regarding the 1% tax to the action listed under 8B.

CRUME moved, PALOMO 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

Christian Espinoza, Pioneer Road, Ontario, stated: *I'm only just catching up on this, and not really set to speak at this time, with regards to your sales tax initiative because I haven't had a lot of opportunities to prepare anything. I don't know what stage the proposed tax is, as far as, does this mean you are considering it, or has it been passed, and you just necessarily need to read it again?*

Mayor Verini stated they were considering it.

Mr. Espinoza: *Okay, so my comments would go towards that. And, with regards to that, just would state that while there are other alternatives on the table that could generate revenue, or to say as opposed to a sales tax, I think that you should consider those options, chief among those being the option with the dispensaries here in Ontario with regard to basically approving them and taxing them. My question for the Council, or it's a rhetorical question, more or less, is does everybody on this Council reasonably believe that the people in Ontario, every single one of these people, are actually going to the dispensaries to get their marijuana? Doing otherwise is a crime, and so, not having those dispensaries available to the people here in the City of Ontario, basically, these individuals area committing crimes every day because they don't have access to a legal way of obtaining their recreational marijuana, and also their medical marijuana. Without legal means of getting it, the law's there that says it's okay; the legal means of obtaining it is an issue. I'm kind of looking towards that, and also, the financial benefits that other communities in the State of Oregon see with regards to raising revenue in their towns through the taxation of marijuana use. I'm urging the Council to consider that question with regards to any decision they make on the dispensaries and on the sales tax in general. Thank you.*

Jenifer Levi, Pioneer Road, Ontario, stated: *I moved here and started a business called Levi's Hardwood[?] Store Owners, me and my sister.....and we are just worried about the sales tax. We are a small business, we don't make much, we sell plant nutrition to farmers and I feel like the sales tax might hurt our business, and also other small businesses in the area whose customers from Idaho come to Ontario particularly to buy things, might just stay in Idaho to buy there. It's not as big of a sales tax, but it is going to make prices go up for everybody and all businesses. That's all I want to say.*

CONSENT AGENDA

CARTER moved, WINEBARGER seconded, to **ADOPT CONSENT AGENDA (A) MINUTES OF REGULAR MEETING OF JULY 18, 2017**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

PRESENTATION

Public Works Annual Report
Cliff Leeper, Public Works Director, and Betsy Roberts, City Engineer, presented. *[Report attached]*

NEW BUSINESS

Resolution #2017-128: $8 Monthly Transportation Utility Fee for the Ontario Municipal Street Sytem; and Resolution #2017-129: Classifying Certain Fees and Charges as not Subject to Limintations of Article IX, Section 11b, of the Oregon Constitution
Kari Ott, Finance Director, presented.

The Street Fund did not currently have a large enough revenue source to pay for the annual street maintenance. The original proposed 2017-2018 budget given to the Budget Committee had some crack fill dollars appropriated, but no funding for chip sealing. The chip sealing had also been cut from the 2016-2017 budget. The City Council and Budget Committee recognized the need for a funding mechanism to finance the pavement preservation and maintenance of the city's street system. At the recommendation of the City Manager, during the May 2017 Budget Hearings, the Budget Committee approved the implementation of an $8 Transportation Utility Fee on each utility bill in the 2017-2018 budget.

To impose a Transportation Utility Fee, the city was required to create an ordinance, approve two different resolutions, allow public comment, and publish notice in the newspaper. Those documents would do the following:

- The ordinance created Title 8, Chapter 17 of the Ontario Municipal Code which allowed the city to adopt the TUF and set up the parameters. The Council approved Ordinance #2725-2017 on July 6, 2017.
- Resolution 2017-128 set the TUF as a monthly $8 fee to each billing unit. The resolution also certified that a chance for public comment was given.
- Resolution 2017-129 classified the TUF as not subject to Measure 5 limitations. It also certified that a publication would be published in the newspaper to give notice of the adoption of this resolution.

Staff expected the TUF to generate $364,800 to the Street Fund annually. The resolutions should be approved as soon as possible to start bringing revenue into the city to fund street maintenance.

The Council could take no action on this matter, but this would cause the chip sealing to be cut from the budget and also a larger transfer from the General Fund to fund Street Maintenance.

An alternate Resolution #2017-128 was provided, which included one additional Whereas clause, which read: *It is the intent of the City Council and recommendation of the Budget Committee that the Transportation utility Fee be eliminated if a sales tax is approved and collections begin.* It was at the discretion of the Council as to which resolution, if either, they wanted to enact.

CRUME moved, PALOMO seconded, **THAT THE CITY COUNCIL ADOPT RESOLUTION 2017-128, A RESOLUTION ESTABLISHING TRANSPORATION UTILITY FEES AND GOVERNANCE FOR USERS AND USE OF THE ONTARIO MUNICIPAL STREET SYSTEM, THAT INCLUDES THE WHEREAS CLAUSE STATING *"IT IS THE INTENT OF THE CITY COUNCIL AND RECOMMENDATION OF THE BUDGET COMMITTEE THAT THE TRANSPORTATION UTILITY FEE BE ELIMINATED IF A SALES TAX IS APPROVED AND COLLECTIONS BEGINS"*.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

WINEBARGER moved, CARTER seconded, **THAT THE CITY COUNCIL ADOPT RESOLUTION 2017-129, A RESOLUTION CLASSIFYING CERTAIN FEES AND CHARGES AS NOT SUBJECT TO LIMITATIONS OF ARTICLE IX, SECTION 11B, OF THE OREGON CONSTITUTION.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Resolution #2017-130: Establish Fees for Solar Eclipse Activities
Adam Brown, City Manager, presented.

With approval by Council, the city will charge fees for certain recreational activities related to the solar eclipse.
The City Council and the Airport Committee discussed opening the airport for overnight camping on the former golf course. Additionally, at the last Airport Committee meeting, the Committee discussed accepting reservations for accommodating fly-in traffic.

Based on comparisons within our community and with neighboring communities in the path of totality for the eclipse, staff is proposing charging the following fees for camping at the former Ontario Golf Course: $200 for RV's; $100 for tents; $25 for each extra vehicle; and $25 for day use per vehicle.

For parking of airplanes, staff agreed, in concept, to a 1/3 Fixed Based Operator (FBO) and 2/3 city split of the revenue generated by planes landing at the airport. The FBO will collect fees and have people on the ground assisting with the parking of planes. Based on comparisons with other airports within the state and areas hosting eclipse guests, staff was proposing the following rates on the airport property for fly-in reservations and parking: $50 for a day fly-in; and $150 for overnight.

Since these revenues would be generated on airport property, any revenue above and beyond what was incurred by expenses would go to the Airport Fund and could be used toward a future capital project or ongoing expenses at the discretion and future choice of the City Council.

This would generate some minimal revenue for which the city could offset any costs associated with the solar eclipse. When staff had a better idea of the revenue generated, we will return to the Council for budget and appropriation.

The idea has been discussed with both the City Council and Airport Committee at prior meetings. This would be the last opportunity for the City Council to approve fees prior to the eclipse.

The passage of a fee was subject to ORS 294. 160(1) which provided: *"The governing body of a city, county or other unit of local government shall provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase or an increase in the rate or other manner in which the amount of a fee is determined or calculated."*

Without Council approval, the city would not be able to charge for recreational activities occurring at the airport during the solar eclipse weekend.

CARTER moved, JUSTUS seconded, **THAT THE CITY COUNCIL APPROVE RESOLUTION #2017-130, A RESOLUTION AUTHORIZING THE CITY TO CHARGE FEES FOR RECREATIONAL ACTIVITIES ASSOCIATED WITH THE 2017 SOLAR ECLIPSE.** 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

Monthly Stats: Public Works Department *[Report attached]*

Procedure for Enactment of Sales Tax Ordinance
Adam Brown, City Manager, presented.

This had begun in August, 2016, when the review of expenditures and revenues had been researched. Revenue options had been received in September, resulting in a list of options. The sales tax was the only option that would address all the city's needs, expanding out across various departments, such as public safety, streets, and others.

The Council conducted an economic sensitivity study on the sales tax impact, and that study, among other things, indicated that a 1% sales tax would have some effect on purchasing power, but 73-79% of that income would come from non-city residents. At 1%, it was around $3-4M of revenue.

Following that, the Council reviewed and adopted the budget. In going through the budget, the Council was made aware of what would be next on the list for cutting, and the following year would be even more difficult. The list of items not cut this year, they'd have to go there, and beyond, next year, without additional revenues. The Council had proved they were able to do that, if that was the direction the citizens wanted them to take. They'd done it for the past ten years. All those cuts put them in a place they didn't want to be in.

Four public forums were held, two presentations at the Ontario Chamber of Commerce Forums, and multiple smaller business groups and service clubs.

In June, 2017, the Council requested that an ordinance be drafted, and that was before them that night. The discussion would now be about where to go forward from here. What was in the ordinance, or not in there, was based upon the direction of the Council given to the City Manager in June, at a 1% tax level, with the farmer's exemption for certain items, agriculturally based, and a licensed vehicle sale exemption. What was not in there was a small business exemption.

The first decision that needed to be made was if this was going to be a Council vote or a public vote. The process moving forward considered it as a Council vote. They needed to decide if they would be voting, or sending to a ballot. The soonest it could be on a ballot was May, 2018. If the Council voted on it, and it was challenged, it would also go on the May, 2018, ballot.

Mayor Verini stated in regards to Council vote vs. public vote, there had been a Council consensus to have it be a Council vote. Did they need a motion for that action, or would a consensus suffice?

Mr. Brown stated lacking any different direction, staff would proceed with a Council vote.

Larry Sullivan, City Attorney, stated the draft ordinance the Council was reviewing, assumed the sales tax was going to be implemented by the Council. If the consensus of the Council had been to refer it as a ballot measure, the document they'd be approving would look different.

Council consensus to continue as a Council vote. *[Unanimous 7/0/0]*

Mr. Brown stated they tried to be transparent in this process, as well as deliberate. There was an opinion in the packet from Mr. Sullivan, and he'd like to discuss a few sections. The procedure for enacting a sales tax ordinance was essentially the same as for the enactment of any other ordinance; therefore, it required two readings. The Council could pass it unanimously in a single reading, and waive the second reading. But, unless the ordinance was passed on an emergency basis, it would take 30 days following passage to become effective.

Council consensus was to have two readings of the ordinance. *[Unanimous 7/0/0]*

Mr. Brown stated this ordinance was subject to ORS 294.160(1), which provided: *The governing body of a city, county or other unit of local government shall provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase or an increase in the rate or other manner in which the amount of a fee is determined or calculated.* He interpreted the reference to a "fee" to include a sales tax imposed on retail sellers in the city limits. He proposed posting this data on the city's website, beginning tomorrow, to begin receiving public feedback/comments on it, as well as the Council's feedback over the next several weeks.

At the first reading, the Council would accept public comments, and the second reading the Council could simply vote. It would take 30 days for enacting, but it didn't mean they needed to begin assessing tax on that 30 days. The city needed to provide time to the people to change their systems. The proposed action was anticipated to begin January 1, 2018. The ordinance was written to reflect the first collection date would be the first quarter of 2018. Putting some dates to this action, staff could post it tomorrow; the first reading could be on the work session of September 7th, and the second reading on September 19th. Council could also push that back to one reading in September, and the second reading in October. If both readings were in September, it would become effective as early as October 19th, but no taxes would be assessed until January, 2018.

If the Council was so inclined, with the September ordinance, staff could prepare a resolution for the $1K technical assistance reimbursement for computer hardware and software updates for the calculation and collection of the tax.

Council consensus to place the draft ordinance, with a cover indicating it was an *unapproved draft only*, on the city's website and Facebook. *[Unanimous 7/0/0]*

Councilor Crume asked if the draft placed on the website would show the $1K reimbursement.

Mr. Brown stated it was his understanding that the $1K reimbursement was a one-time rebate, so it didn't make sense to put it in the ordinance. He believed it could be done through a resolution.

Mr. Sullivan concurred. They could perhaps establish a committee to screen the applications, so the Council wouldn't have to be approving all of them.

Mayor Verini asked if they could put something along those lines with the ordinance, when it was put out on the website and Facebook.

Mr. Brown stated they could do a letter, stating the Council approved moving forward with the rebate program for technical assistance.

Council consensus was to provide up to $1K for software and/or hardware to assist with the calculation and collection of the 1% tax. *[Unanimous 7/0/0]*

Councilor Crume asked if it was legal, or possible, for example, if a business collected, in the first quarter, $1,500, and there was a receipt from Joe's Computer System for $892 to update the software, was it legal to subtract that charge out of the collected dollars?

Mr. Sullivan stated the money would have to flow into the city, and then a business would be issued a payback.

Mr. Brown stated they had previously discussed where the funds would go, and what was needed. As they classified those items, in terms of expenses, they were talking about a safe community, quality roads, and quality of life. There was a long wish list, more than the city could pay for, but those had been the expressed priorities of the Council over the past year.

Mayor Verini, with Council support, directed Mr. Brown to put the ordinance on the city's website and Facebook.

Councilor Justus asked that copies of the unapproved draft ordinance be provided to anyone who wanted a copy, especially those in the audience that evening.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

Councilor Capron stated his thanks to Chief Kunz for the Citizen's on Patrol car. It looked great!

Councilor Capron stated he felt the Council needed to talk about the direction they would need to take the city if the sales tax failed. What decisions needed to be made, what cuts would have to be made, where they were going to head. Better information for those wondering. Some knew what they wanted to do, but maybe they needed to be told what they'd have to do. That needed to be a big discussion item with the Council.

Mayor Verini asked that the issue be placed on the next Agenda. Staff needed to provide some potential cuts.

Councilor Winebarger voiced her agreement with the car – looked great!

Councilor Winebarger stated Home Depot would be having a Safety Fair for the community, the first week-end of October, and the Ontario Fire and Police departments volunteered for that.

Councilor Crume stated the car for COP's wasn't new, just the decals! They had NOT purchased a new car.

Councilor Crume stated something that caught his attention was that Fruitland had a fire rating of three, but he had been told Ontario was a four, which was better, making the fire insurance cheaper. He called John Forsyth, who was out, but he also spoke with Mike Blackaby, asking what would happen if the city had to make cuts throughout the city, to where the Fire Department had less personnel or less equipment, where the city might drop to a three instead of a four, what would that mean financially? No answer yet, but believed that answer would be good to hear.

Terry Leighton, Fire Chief, stated Ontario was rated three, but Councilor Crume had it backwards. A four rating was worse, resulting in higher rates. The lower the number, the better the rates. The city was a three; the rural area was a four. Anything over five miles out past the station was rated eight. If fire personnel were eliminated, the city would go to a four or a five. The department had worked hard, prior to him coming on board, to get to that three. Losing personnel or equipment would drastically hurt them.

Mayor Verini stated when Mr. Brown compiled data from staff regarding the cuts, and how that would affect the departments, please include what the results might be if the department went to a four or a five.

Mr. Brown stated they could try. They had asked for that data a number of times, but no one had been able to get it to them. It was a one of the many ways of which it fell into a "pay here, or pay there".

Chief Leighton stated a huge factor was that most of their calls were medical. The department had a lot of overlapping calls, and they struggled to get to the calls. That four minutes was a critical life saving time. Losing personnel would be detrimental the community.

Councilor Crume asked for an outline on the department.

Chief Leighton stated two of his three crews had three staff on shift, the other just two. They had to run with a minimum of two to respond with Rescue. Due to holidays, vacations, illness, etc., those three men on other shifts were rotated around. Whenever that "other" call came in, it could be five or six minutes before volunteers arrived at the station to cover those calls. Cutting personnel could mean only one on shift, leading to the wait for a second person to show up for every call before they could roll. Most recommendations were for more staff. Tying that in with TVP, when OFR responded, even on a just a regular cardiac arrest, only four people on the scene was very, very difficult, to be able to do all that needed to be done. If they started cutting people, they couldn't get the job done, and life expectancy dropped dramatically.

Councilor Crume asked if Chief Leighton had a rough guess of the medical calls they rolled on that were from the most extreme to low, for the importance of having those extra two personnel there.
Chief Leighton stated it would be a guess, but at least 60% were extremely critical. They responded often to Dorian Place and some other facilities like that. Also, due to our society becoming more obese, two people on an ambulance, sometimes two females, who were not as strong as men, could not lift an obese person.

Councilor Crume stated that was good to know. There had been a fair amount of people criticizing that Rescue One rolled all the time. That was good information to have.

Chief Leighton stated that question was asked all over the country.

Councilor Carter stated if they had to wait for someone to come in before they could roll, what would be the delay time?

Chief Leighton stated it depended. It was often greater during the day due to volunteers having other jobs. Currently, some of the retired staff would respond. So, the delay time could be from four to six minutes. Seems like a short time, but it was actually a long wait.

Councilor Winebarger stated Chief Leighton was being modest with the 60% figure. Working in the emergency room at the hospital, it was probably more like 70-75% for how many calls truly needed those extra hands. They might not all be life or death, but it was truly individuals who needed to be at the hospital, or who needed medical care.

Councilor Justus stated Revitalize Ontario had a successful downtown clean-up over the weekend. He thanked all those who had attended and helped out. The downtown area looked great.

Councilor Carter stated the WaterFest event was a week from Saturday at Lion's Park. All the proceeds would go towards the Aquatic Center. Everyone, please attend!

Councilor Palomo stated he'd had to work Saturday, but his kids had gone down and helped on the clean-up crew downtown. They were getting more involved in the community, and more into volunteering.

Councilor Palomo thanked the Police Department, the Fire Department, everyone who showed up to Oregon Human Development, for Farm Worker Appreciation Day August 6th. It was a first time event, and it was totally free for ag workers, farm workers. He had to work that day, but when he arrived, he was told that police officers and fire fighters had shown up in uniform, and interacted with the community members. In speaking with the attendees, he learned they were very impressed with the departments coming over, interacting, and playing with the kids. That was a great way to break down the barriers. Everyone appreciated it. They were already beginning to plan for next year's event.

EXECUTIVE SESSION

ORS 192.660(2)(d)
An executive session was called at 8:44 p.m. under provisions of ORS 192.660(1)(d) regarding Labor Negotiations. Council reconvened into regular session at 9:40 p.m.

Councilor Justus asked to receive the total financial impact of the potential changes in the contract.

ADJOURN

WINEBARGER moved, CARTER 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:

Ron Verini

Ronald Verini, Mayor

ATTEST:

Tori Barnett

Tori Barnett, MMC, City Recorder