CITY COUNCIL MEETING MINUTES
December 19, 2017

The scheduled meeting of the Ontario City Council was called to order by Mayor Ronald Verini at 7:00 p.m. on Tuesday, December 19, 2017, in the Council Chambers of City Hall. Council members present were Ronald Verini, Norm Crume, Dan Capron, Betty Carter, Ramon Palomo, Tessa Winebarger, and Marty Justus.

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

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

Marty Justus led everyone in the Pledge of Allegiance.

AGENDA

This Agenda was posted on December 15, 2017. Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website www.ontariooregon.org.

Mayor Verini stated they would be adding an Executive Session to the Agenda, under ORS 192.660(2)(h), to discuss potential litigation.

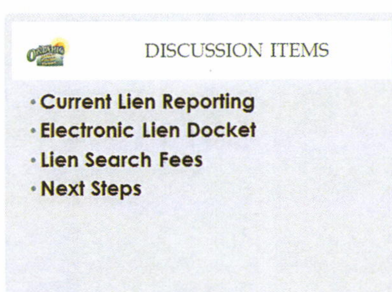
WINEBARGER moved, PALOMO seconded, **TO ADOPT THE AGENDA AS AMENDED.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

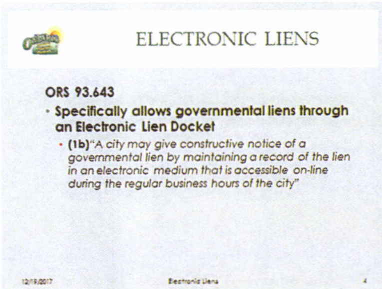
CONSENT AGENDA

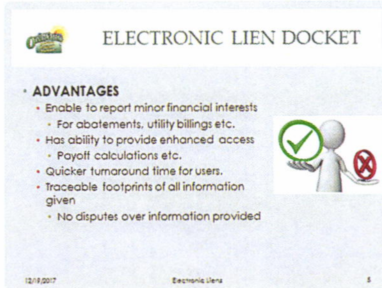
CARTER moved, CRUME seconded, **TO ADOPT CONSENT AGENDA (A) MINUTES OF REGULAR MEETING OF NOVEMBER 21, 2017, AND (B) MEETINGS CALENDAR: JAN-DEC, 2018.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

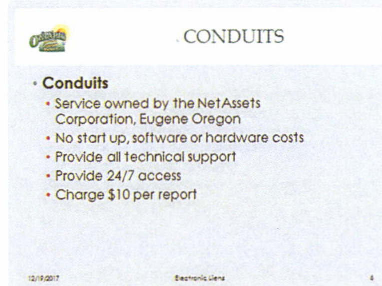
PRESENTATION

Electronic Lien Filing
Kari Ott, Finance Director, presented.









Council consensus to have Ms. Ott bring a resolution back at the next meeting for lien search fees.

Council consensus to have Ms. Ott prepare and bring back a report on abatements to send to collections.

OLD BUSINESS

Resolution #2017-139: Calling for an Election Regarding an Amendment to the City Charter to Create a Sales Tax Cap and Placing the Action on the May, 2018, Ballot

Larry Sullivan, City Attorney, presented.

Community feedback following Council approval of the sales tax stressed the importance of capping the potential for the sales tax rate to increase over time. The requested and recommended ballot referral was to amend the City Charter, by vote of the people, to ensure that any increase to a sales tax must be approved by the voters in Ontario.

The Ontario City Council adopted Ordinance #2729-2017, enacting a 1% sales tax in the City of Ontario. On October 3, 2017, the ordinance was stayed due to a Referendum being filed in opposition to the tax.

If the sales tax collection action passed, the City Council proposed that the Charter be amended, creating Section 2.2, clarifying that any increase above the established 1% sales tax would be required to go to a vote of the City of Ontario citizens. The current Charter had no such provisions in place.

No additional costs would be incurred by adding this item to the ballot. The financial impact of adding this to the City Charter was that any future increase could only be done by a vote of the people. Any additional revenues from increasing a sales tax beyond 1% could not be done by the Ontario City Council.

This Ballot Initiative was contingent upon passage of the other Ballot Initiative passing in the affirmative to implement a 1% sales tax. The City Council, with the City Manager's concurrence, stated that any amount of sales tax above 1% would threaten the city's competitive advantage in the region under the city's current revenue structure.

A Ballot Initiative must be filed with the city's Elections Official by the Governing Body on or before the 80th day before the election. The final Ballot language submitted in form SEL 802 must be submitted to the County Elections Official on or before the 61st day prior to the election.

The City Council had authority established by the State of Oregon to refer items to allot. The City Charter, last revised in 1985, could only be amended by vote of the people of the City of Ontario, Oregon.

Without referring this Measure to voters, the issue would not be on the Ballot with the 1% sales tax Ballot Measure. No cap would be implemented into the Ontario City Charter.

JUSTUS moved, WINEBARGER seconded, **TO APPROVE RESOLUTION #2017-139, A RESOLUTION CALLING FOR AN ELECTION REGARDING AN AMENDMENT TO THE CITY CHARTER TO CREATE A SALES TAX CAP AND PLACING THE ACTION ON THE MAY, 2018, BALLOT.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Resolution #2017-142: Homeless Services Appropriation
Adam Brown, City Manager, presented.

Until the end of 2016, a private non-profit operated a homeless meal site. In January of 2017, Community in Action took over the site. Continuation of services was being provided by a local church with the support of Community in Action. Support for ongoing services was needed.

The Council approved Resolution #2017-110, on February 21, 2017, to appropriate $2,500 for the homeless services. Community in Action allocated over $25,000 to the program with grant and private funding. Currently, the program costs were short approximately $23,000. Community in Action was seeking funding to continue services from January 1, 2018 to June 30, 2018.

The most recent count showed approximately 108 homeless in the area. The real number of homelessness was undoubtedly higher. Without homeless services, there were concerns of homeless living in business doorways and more emergency calls.

Councilor Marty Justus, who had participated in the Homeless Coalition Task Force was requesting that the city make another contribution to the program of $4,000 in concert with the other cities and Malheur County. The proposed resolution would appropriate $4,000 from the Public Safety Reserve. The balance in the public safety reserve at this time was $304,620.

By policy, a budget resolution approved by the City Council was required to expend the funds as per ORS 294. A supplemental budget could be approved by the Ontario City Council. The city could use the Budget Committee in an advisory capacity, but the decision would ultimately fall upon the City Council to approve a supplemental budget for this fiscal year. Future appropriations should go through the Budget Committee. Taking no action would see funding for the first half of 2018 uncertain.

CRUME moved, CAPRON seconded, **THAT THE CITY SEEK COMMENTS FROM THE BUDGET COMMITTEE FOR THE CURRENT YEAR'S SUPPLEMENTAL BUDGET AND THAT A SUBMISSION FOR AN ANNUAL APPROPRIATION BE DIRECTED THROUGH THE BUDGET COMMITTEE PROCESS.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-no; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 6/1/0.

Resolution #2017-143: Housing Incentive Program
Adam Brown, City Manager, presented.

The City Manager was recommending a Housing Incentive Program to attract single family, owner occupied housing to the city. The Council first received this concept in November of 2017, and directed the City Manager to more fully prepare the program for consideration.

Resolution No. 87-103 established the City of Ontario Business Loan Fund. Loan Allocation Procedures were passed March 2, 1987. Funds were acquired as a grant through the Oregon Community Development Program. This established a revolving loan fund for the purpose of loaning to local businesses for business equipment, acquisition, business development, and the creation of new jobs. This resolution required that loans be established with interest.

Loan Terms in summary were as follows:

- Loans of not less than $10,000
- Maximum loan term of 15 years
- Interest rate fixed by city council at not less than 5%
- Loan servicing fee of 1 ½% to be deducted from the loan proceeds
- Applicant must secure a commitment from a commercial or private lender or local development group of at least 66 2/3% of the total project cost.
- Applicant must provide evidence of collateral
- Loan proceeds used for working capital shall not exceed 10% of the total loan amount.

Resolution No. 00-128 revised the City of Ontario Business Loan Fund and Loan Allocation Procedures established by Resolution Number 87-103. Resolution No. 00-128 simplified the rules and procedures of the loan fund in several ways:

- The purpose was rewritten to maximize the utilization by saying it "is to provide financing to: encourage economic and community development; create or retain jobs; and/or, enhance the aesthetic appeal of properties located within the Ontario Urban Growth Area."
- The resolution reduced the criteria, the ineligible activities, the application criteria, and repealed the minimum loan amount.
- It also designated the repayment of the loan directly to principal and outstanding uncollectable amounts and then established a grant fund for public facility projects.

Resolution No. 00-133 established the City of Ontario Economic and Community Enhancement Small Grant Fund and accompanying Criteria and Procedures. This resolution defined the procedures for granting money acquired from interests and fees from the business loan fund.

The small grant fund criteria and procedures were established and the grants were established for the following uses:

- Public facility improvement projects identified in adopted plans
- Public Facility Projects such as playground equipment, street or crosswalk pavers, park irrigation systems
- Landscaping enhancements
- Improvements to the Railroad Depot
- Projects with a useful life of at least 5 years

Resolution No. 2004-140 revised the City of Ontario Business Loan Fund and accompanying Criteria and Procedures to provide clarity that the Business Loan Fund could be spent within and outside the City of Ontario and the Urban Growth Boundary so long as there was a direct or indirect benefit to the city or Urban Growth Boundary.

The Ontario City Council directed the City Manager to prepare an amendment to the Business Loan Fund to implement the Housing Incentive Program as presented. Revisions to the Business Loan Fund have been prepared and reviewed with the Community Development Director and City Attorney. Amendments to the Business Loan Fund Rules and Procedures must be approved by the City Council.

This program would have a positive impact on the General Fund. Initially, as additional revenue came in from new construction built under the agreements, the taxes would be transferred to replenish the Business Loan Fund. After the incentive program money was replenished, the city would be able to use the additional property tax revenue from the new construction.

Additional housing in Ontario would provide secondary economic impacts to the local economy by increasing the work force, providing closer access to places of employment, and additional retail business.

Staff has had multiple contractors and individuals approach the city with interest in the program since it was presented conceptually to the City Council. Further, staff anticipates it will be received well by the community. If the Council chooses not to pursue this program, they could simply take no action.

CRUME moved, WINEBARGER seconded, **TO APPROVE RESOLUTION #2017-143, A RESOLUTION REVISING THE CITY OF ONTARIO BUSINESS LOAN FUND AND LOAN ALLOCATION PROCEDURES ESTABLISHED BY RESOLUTION #87-103, AND REVISED BY RESOLUTIONS #00-128, #00-133, AND #2004-140.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-no; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 6/1/0.

Ordinance #2733-2017: Amend Ontario Municipal Code 7-1; add 7-1A *[Final Reading]*

Larry Sullivan, City Attorney, stated there were no changes since First Reading.

The current process of enforcing ordinance violations included the city abating properties and then billing property owners. This process was found to be ineffective as many property owners failed to pay the fees. This resulted in loss of city funds, as well as lack of accountability for property owners that were out of compliance. The City Council directed police department staff to investigate civil penalty options. The City Council requested that the police department bring forward a civil penalties proposal to them as soon as possible.

After a staff site visit to the City of Salem, which currently has a successful civil penalty process, a draft civil penalty process was presented to the City Council. On October 17, 2017, the Council adopted Ordinance #2730-2017. The attached proposed ordinance, #2733-2017, contained additional suggestions to add or amend the Ontario City Code.

The City Council previously approved to amend the Ontario City Code to establish a civil penalty process, through Ordinance #2730-2017. The proposed ordinance now being presented to the City Council for review, if approved, would amend or add to the Ontario City Code regarding public nuisances and derelict buildings, aligning with the established civil penalties process.

The City Council previously addressed the need for the city to hire a part-time Hearing Officer. If approved, Ordinance #2733-2017 would not have any additional known financial impacts. It was anticipated that a civil penalties system would encourage more voluntary compliance, which would lessen the amount of funds the city spent on abatements, as well as create a more efficient process to collect unpaid fees.

Amending a city law could only be done by ordinance. Efficiency was one of the city's core values. This would improve the ability to encourage voluntary compliance of the city's ordinances, as well as collect assessed fines for those in non-compliance. Taking no action, the current City Code would remain in effect.

WINEBARGER moved, CARTER seconded, **TO APPROVE ORDINANCE #2733-2017, AN ORDINANCE AMENDING SECTIONS OF CHAPTER 1 OF TITLE 7 OF THE ONTARIO CITY CODE CONCERNING PUBLIC NUISANCES, AND ADDING A NEW CHAPTER 2A TO TITLE 7 IDENTIFYING DERELECT BUILDINGS AS PUBLIC NUISANCES, on Second and Final Reading by Title Only.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-no; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 6/1/0.

NEW BUSINESS

Frazier Aviation, LLC: Temporary Land Lease

Dan Beaubien, Airport Manager, presented.

Frazier Aviation LLC was applying for a temporary land lease at the airport for a modular building to provide additional space for the FBO. There had been a great deal of research done over the last eight months because the airport had not previously had a temporary land lease on the non-airport operations side of the airport and the modular was sitting idle during that time while the details of the land lease were worked out.

The modular that had been in place since May was waiting for a land lease agreement with the city in order to move forward on the FBO expansion. The additional lease would provide additional revenue for the city. The two-year temporary land lease had been approved by the City Attorney and the Airport Manager. The Lease met the requirements of applicable policies; however, the City Council could choose to not approve the lease.

WINEBARGER moved, CRUME seconded, **THAT THE CITY COUNCIL APPROVE THE TEMPORARY LAND LEASE AGREEMENT WITH FRAZIER AVIATION, LLC.** No vote.

Councilor Justus asked if Mr. Frazier's past due accounts been brought current?

Mr. Brown stated as of a few months back, Mr. Frazier had caught up on the flowage fees, but he had not paid the city for money from the eclipse. He had requested that, but it was now with the City Attorney for follow-up.

Councilor Justus questioned why the city would enter into a lease with Mr. Frazier when he owed the city money.

Mr. Brown stated currently, the city was not collecting anything because there was no lease.

Councilor Justus verified that Mr. Frazier placed a building at the airport without the city's permission?

Mr. Brown stated that was correct.

Councilor Justus questioned the city giving Mr. Frazier a lease, with a really good rate? Tell him to move his building.

Mr. Brown stated that was one option. He would be getting a market rate for that facility.

Councilor Justus stated Mr. Frazier had been nothing but a pain in their side since he'd been out the airport. He questioned the thinking of the Council.

Councilor Capron asked how they got from when Mr. Frazier first put the building out there, to going to a lease instead of telling him to remove the building.

Dan Cummings, Community Development Director, stated this had started as part of the Aviation School. Mr. Frazier was going to provide space the school. He was originally going to build, but then he made some deal with the Nyssa School District, who built a school in place of these modules. In the interim, the city began talks with TVCC about leasing the golf course area. Mr. Frazier had made commitments and purchased two of the modules; one he set up at the airport, and he had informed Mr. Cummings that he had done that. The other module had been placed in the boneyard on temporary jacks. He had met with Mr. Frazier and informed him that he could not just move that module out there without any permits, etc., and was told by Mr. Frazier that he didn't have any other place to put it. That's when they started this process. Mr. Frazier had completed the application to place the module there, but at the same time, the school had not committed to move to that building, while still in talks with the city. Eight months had gone by, but they hadn't made him remove it completely from the area because if the city couldn't make the golf course area work for the Flight School, the module would work for them. He couldn't issue a Conditional Use Permit because the owner of the property, which was the city, to sign off. Mr. Brown couldn't sign it until there was a lease. He had the CUP in the process, and if the lease was approved by the Council, he would complete the CUP.

Councilor Winebarger stated if someone had a house, and they put a shed on cinder blocks, but they hadn't picked up a permit, they would be fined?

Mr. Cummings stated they would get a warning, told to move it, but the process was pretty drawn out before a fine would be assessed.

Councilor Winebarger agreed, but it was not supposed to be done.

Mr. Cummings stated yes. Mr. Frazier had done the same thing. When he told Mr. Frazier he couldn't do what he'd done, he began the process of getting legal. It was put on hold due to the school's involvement, and the city's.

Councilor Winebarger stated if someone said they wanted to use that person's shed, it was the same situation.

Mr. Cummings agreed, and he was not defending Mr. Frazier's actions. It was due to the circumstances. Normally, he would have fined him and made him remove it, but with the city trying to get an aviation school out there, he chose to be lenient on the situation.

Councilor Crume stated everybody was aware that things had not been done in the correct manner, and there were issues along with it. But, in the end, the result of having that there would be a benefit to the Airport Committee. That's how he'd be looking at it. The extra space was invaluable. There was no excuse for the action being done the way it had been, but there was a benefit.

Councilor Carter stated she wanted to see accountability.

Mr. Brown stated Ms. Ott looked up Mr. Frazier's account, and he was behind on his flowage fee payment, by at least one quarter.

WINEBARGER requested, CRUME concurred, **TO WITHDRAW HER PREVIOUS MOTION.**

Councilor Justus stated he didn't want to table this, because overall it would be a benefit, but they needed more information. They needed to come back with exactly what they wanted. Everything needed to be brought current. If Mr. Frazier was going to lease that space to the college for $1,000 a month, and he'd give the city 9¢, the city needed to know what the lease rate was, and the city should get a percentage of that. That was business. Mr. Frazier took the city every way he could. Historically, this was his mode of operation. Why should the city roll over?

Mayor Verini suggested a motion that approved this with the condition that everything else be brought up to date.

Mr. Sullivan stated it wouldn't address the issue of the 9¢ per square foot.

Councilor Justus stated if the city opened the door, Mr. Frazier would walk through it. He wanted to slam it shut!

Councilor Palomo stated a person with bad credit could get credit somewhere else, but they'd charge a higher interest rate.

JUSTUS moved, CARTER seconded, **TO TABLE THIS ACTION.** No vote.

Councilor Crume asked if they did as the Mayor suggested, could they include that in the motion?

Mr. Sullivan stated they could, and they could also put in the 9¢ as retroactive to when the module was placed. If the action was tabled, it would give the Council and staff a chance to review it and prepare a proposal that would erase the slate between Mr. Frazier and the city. Mr. Frazier would have to decide if the demands being made by the city were too onerous and he could move the building.

Councilor Crume stated that Mr. Cummings had stated the Mr. Frazier purchased the building from Nyssa, but in reality, the Nyssa District gave him the building for free.

Mr. Cummings stated they could tie the Conditional Use Permit with the lease, to give it more hammer. If anything was violated with a CUP, it became void. They could tie the two together.

JUSTUS moved, CARTER seconded, **TO TABLE THIS ACTION**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Adoption of Airport Standard Manual of Rules and Regulations
Dan Beaubien, Airport Manager, presented.

The Airport Manager, with the support of the Airport Committee, was seeking approval from the City Council to adopt the *"City of Ontario Municipal Airport Authority Standard Manual of Airport Rules and Regulations"*.

The Airport Committee had been trying to resolve airport issues without success due to a lack of official rules and regulations on the field that were specifically established for Ontario's airport. The proposed manual had been reviewed, revised, and approved by the Airport Committee to fit the Ontario Municipal airport. After many months of discussions and revisions, the Airport Committee unanimously approved the proposed Airport Manual for adoption by the City Council, knowing that necessary changes might be needed over time as the airport grew and changed. Seeing the need to have this document in place for safety reasons, and well as providing order and consistency at the airport, the Airport Committee made this a top priority.

There is no financial impact to the city. The timing was important as this document was long overdue. Most all other airports had an Operational Manual in place. This manual gave the Airport Manager and the city the authority needed to implement best practices that were consistent with safe operations. By policy, it was the city's responsibility to provide a manual for the Ontario Municipal Airport; however, the city could elect not to adopt the manual as presented.

CRUME moved, CAPRON seconded, **TO ADOPT THE PROPOSED STANDARD MANUAL OF AIRPORT RULES AND REGULATIONS AS RECOMMENDED BY THE ONTARIO AIRPORT BOARD.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

CRUME moved, JUSTUS seconded, **TO DIRECT THE CITY MANAGER TO WORK WITH THE CITY CODES TO COMPLIMENT THE PROPOSED STANDARD MANUAL OF AIRPORT RULES WITHIN SIX MONTHS.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Hangar Lease Transfer: Cruson to Cruson- 348 Charlie and 343 Delta
Dan Beaubien, Airport Manager, presented.

A hanger transfer from Kevin and Michelle Cruson to Dale and Cheryl Cruson required approval from the city. The city recently approved the lease agreement for Kevin and Michelle Cruson of Hanger 348 Charlie and 343 Delta, a hangar with two accesses to the taxiway. It was one of the hangers that collapsed during last year's snowfall. The area was currently a slab waiting to be built upon. Kevin and Michelle Cruson were planning to return to Ontario, however, plans changed and Kevin was now unable to make the move. Dale and Cheryl Cruson decided they would like to rebuild and lease that area from the city. Keeping the lease current by changing the names enabled rebuilding to begin as soon as possible.

CRUME moved, PALOMO seconded, **THAT THE CITY COUNCIL APPROVE THE SALE OF HANGAR 348 CHARLIE AND 343 DELTA FROM KEVIN AND MICHELLE CRUSON TO DALE AND CHERYL CRUSON.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Hangar Lease Transfer: Daniels to Daniels- 317 Golf
Dan Beaubien, Airport Manager, presented.

Alan Daniels sold Hangar 317 Golf to Randy and Le Ann Daniels. Transfer of ownership required approval from the City Council. Upon approval, a new Lease for 317 Golf would be executed.

CAPRON moved, CARTER seconded, **THAT THE CITY COUNCIL APPROVE THE SALE OF HANGER 317 GOLF FROM ALAN DANIELS TO RANDY AND LE ANN DANIELS.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Resolution #2017-140: Appropriating Funding for the Final Costs of the Water Treatment Plant Project
Betsy Roberts, City Engineer, presented.

The Water Treatment Plant (WTP) Chemical Feed Project was underfunded originally and the Council was now acting to appropriate the final funding amount from the Utility Capitalization Fee Department within the Capital Projects Fund. The City Council reviewed and approved the bid for RSCI July 18, 2016 for $1,650,520. The amount of the contract was lower than the original bid, after some negotiation and value engineering recommendations were implemented. During the Council meeting, there was significant discussion regarding budget; in addition to the construction cost, there were known costs for on-site engineering support, software programing, and engineering review. The Services During Construction (SDC) actual budgets were discussed at a Council meeting on October 6th, 2016. In addition to the SDC costs, the City Engineer maintained a recommendation of a 10% construction contingency. Below are the original values as they were reviewed at the October Council meeting:

Activity	*Budget*
WTP Project Budget	**$1,800,000**
Less – Construction Bid (RSCI)	$1,650,520
Less – Services During Construction	$1,236,611[1]
Less – Special Inspections	$4,095
Remaining Budget	$21,724

[1] This number is slightly lower than that provided on July 18th, therefore the remaining amount is slightly higher.

If the 10% construction contingency was adhered to, that amount would be $165,052, which was higher than the $1.8M budget allowed ($1,943,328 when all the parts + 10% contingency were added up).

Over the course of the year, from fall of 2016 through summer of 2017, the City Engineer had provided updates and requested approvals as Change Orders had come through. The past four months had been needed for final clean up and record drawing completion. The entities billing against this project included:

- General Contractor – RSCI
- Engineer of Record – Murray Smith, Control Engineers, and CH2M
- Resident Engineer – CH2M
- Materials Testing – Materials Testing and Inspection (MTI)

Each entity had billed out their negotiated amount (including approved change orders) or that amount was known and a final bill would arrive soon. The financial analysis below identified the final costs associated with the project and the specific budget overrun that required an appropriation of additional funds. The overage amount was reduced by the $50,000 amount budgeted in the Water Fund for the Skidsteer (half of the cost) that was not required to make that purchase in this budget year and was therefore available in the budget for use.

Final close out costs:

Activity	**Budget**	**Actual**
Original Budget	$1,800,000	
Expenditures		
General Contractor - RSCI - Final Construction Cost	$1,650,520	$1,786,969
Engineering (including Resident Engineer) – MSA, Control Engineers, CH2M – Final Cost	$123,661	$123,661
Materials Testing – MTI – Final Cost	$4,095	$3,703.60
Unidentified Cost – BOLI	$0	$1,650.52
	$1,778,276	$1,915,983.82
Difference		
Budget – Actual		($137,707.82)
Fund Credit		$50,000
	OVERAGE (Transfer)TOTAL	$87,707.82

The final amount of Change Orders was $136,449, which was just over 8% of the contract price. This amount was greater than the contingency amount budgeted ($21,724) but was under the standard 10% change order amount recommended. This was the amount estimated in April of this year as the final change order amount and presented to the Council.

Previously, the Finance Director had recommended that it would be appropriate to present a resolution to increase the budget at the time that the budget will truly be overrun – final payment. This agenda report presented the information for that resolution.

Staff reviewed the options for supplementing the budget and identified the additional $50,000 in the Water Fund that could be used and no resolution was required. This brought the amount to be addressed by resolution to $87,707.82. To ensure staff did not need to come back to Council, the Council might consider an amount of up to $90,000. This overage could be covered through additional funding in the Utility Capitalization Fund (UCF).

Time was critical as this project was complete and it was appropriate to pay final invoices for the contractor and consultants. A budget resolution approved by the City Council was required to expend the funds as per ORS 294. While the Council could elect to take no action on this matter, the amounts were still owed to the vendors. Or, the Council could choose to fund the final project costs from the water fund instead of the Utility Capitalization Fee Department.

CARTER moved, JUSTUS seconded, **TO APPROVE RESOLUTION #2017-140, A RESOLUTION APPROPRIATING FUNDS FROM THE UTILITY CAPITALIZATION FEE DEPARTMENT TO COMPLETE THE WATER TREATMENT PLANT CHEMICAL FEED IMPROVEMENTS PROJECT, FOR A COST NOT TO EXCEED $90K.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Resolution #2017-141: Appropriating Funds for OpenGov Software Purchase
Kari Ott, Finance Director, presented.

The City had worked to be as transparent as possible, especially regarding financial reporting. The financial software used by the city could be difficult to use by staff and access wasn't available to the public. Most Enterprise Resource Planning (ERP) systems didn't provide public portals. Staff would like to create better access for senior staff and create more openness to the public of the city's finances. The city recently changed its budget process to make financial reporting more transparent, but struggled to get financial information to department heads and the public.

Due to the resignation of the Front Desk Receptionist and the Human Resources Director, the City Manager made the decision to not fill the vacancies at this time, resulting in a savings of approximately $94,162 for the remainder of the fiscal year. Additionally, staff was able to save approximately $7,500 by deleting financial software modules that weren't being utilized.

The proposed vendor, OpenGov, was cloud based software that could be integrated with the city's financial software (Springbrook) to provide financial information that would be readily accessible to city staff, the City Council, and the general public. Reports could be run across fiscal years and would be more efficient in providing financial information. No hardware purchases would be required to implement this software.

The software purchase would incur a one-time implementation cost and an annual fee, with an initial five-year contract. The annual cost of the software was $11,850, along with a one-time implementation fee of $7,500 for training and set up for the City of Ontario. Staff would like to proceed immediately on this project to begin the implementation of the software. The City Council would have to appropriate funds in order to spend the funds and sign the contract with OpenGov.

If the Council opted to take no action on this proposal, the financial reporting process would remain as it currently was, with no improvements to efficiency or transparency.

JUSTUS moved, CARTER seconded, **TO TAKE THE ACTION BEFORE THE BUDGET COMMITTEE FOR DISCUSSION AND RECOMMENDATION.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

DEPARTMENT HEAD UPDATES

Fire Department Quarterly Report
Terry Leighton, Fire Chief, presented. Report attached.

Recreation Department Quarterly Report
Debbie Jeffries, Recreation Manager, presented. Report attached.

HAND-OUTS/DISCUSSION ITEMS

Check Register
November 1 – December 13, 2017

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

Councilor Capron stated his comments were directed to the editors of the two newspapers. There had been articles where they'd put out some information, but not all. Most recently was the City Manager wage. They put the lowest one – Baker City – in there, but didn't put ones that were higher. In his opinion, both editors were making them opinion papers, not factual papers that showed the entire story. They took stories and put them how they wanted to. He blamed the editors. They would take an article and put them however they wanted – both papers – and they came out as opinions, not as a story for the people to read. It stirred the pot, but it sold the papers.

Councilor Winebarger asked Public Works if the city was ready for another snowpocalypse. If that happened again, what had been prepped?

Cliff Leeper, Public Works Director, stated the city was ready. All the sanders and trucks were ready to roll. The Magnesium Chloride tanks were full, and they had a full load of salt.

Councilor Crume asked for an update on the dump truck arrival.

Mr. Leeper stated there was not.

Councilor Capron reminded everyone it was a snowplow, not a dump truck.

Councilor Justus stated the Care-O-Sell won the best window decoration for the downtown area. There were 15-20 businesses that participated in the contest.

Councilor Carter stated they had a Friends of the Aquatic Center meeting last Wednesday, and they were going to make a presentation on January 4th before Council. They had been doing some positive things.

Councilor Carter informed Debbie Jeffries there were some funds available for children that could not pay for things, and there was an agency that helped with that. She'd get the data to Deb.

Councilor Palomo thanked Debbie Jeffries for all the effort on behalf of the Recreation Center, as well as all the partnering she did with the schools. If that teamwork could play into everything else the city did, it would be an awesome place.

Councilor Carter stated they were going to send out sponsor letters to get sponsors to assist with the funds for the Splash Pad. She had sent one to Idaho Power. They were asking for $2,500+, which would give funds towards the goal of groundbreaking in late winter or early spring.

EXECUTIVE SESSION

Executive Session: ORS 192.660(2)(h)
An executive session was called at **9:42 p.m.** under provisions of ORS 192.660(1)(i) *to review and evaluate the performance of an officer, employee, or staff member unless an open meeting is requested.* The Council reconvened into regular session at **10:22 p.m**.

ADJOURN

JUSTUS moved, WINEBARGER seconded, **THAT THE MEETING BE ADJOURNE**D. 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

ATTEST

Tori Barnett, MMC, City Recorder