CITY COUNCIL WORK SESSION MINUTES
January 4, 2018

The scheduled Work Session of the Ontario City Council was called to order by Mayor Ronald Verini at 12:00 p.m. on Thursday, January 4, 2018, in the Council Chambers of City Hall. Council members present were Ronald Verini, Norm Crume, Dan Capron, Betty Carter, and Ramon Palomo. Tessa Winebarger and Marty Justus were excused. Councilor Justus joined the meeting via telephone at 3:21 p.m.

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, and Dan Beaubien.

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

Dan Capron led everyone in the Pledge of Allegiance.

AGENDA

This Agenda was posted on January 2, 2018. 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 moving the Public Hearing portion up under Presentations, and adding John Kirby's application for appointment to the Marijuana Ad Hoc Committee to New Business (A).

CARTER moved, CRUME seconded, **to ADOPT THE AGENDA AS AMENDED.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

PUBLIC COMMENT

Theresa Martinez, Sarah Bradbury, Megan Cook, and Alfredo Rodriguez all spoke in support of the Splash Pad (upcoming Agenda item 7-C).

PRESENTATION

Ontario Chamber of Commerce

John Breidenbach, CEO, Ontario Chamber of Commerce, stated: *I have the pleasure of running the Ontario area Chamber of Commerce and Visitors and Conventions Bureau. Back in 1987, the City of Ontario into a contract with the Chamber of Commerce to promote tourism for the city, and part of that agreement is that I come before the City Council periodically and report what we're doing with those funds and how the TOT tax funds that we receive for tourism are given back to the community. So, I'm here today just as a preliminary, to ask you, since it's a work session, what you're going to want to hear from me on the 18th. In front of you, I have passed out many of the items that we have done just in the year 2017. One of the biggest changes that we have done since the last time I was in front of any City Council, was we bought the building from Ontario Pharmacy and St. Alphonsus, and in that building is a Visitor's Center that is open to the public, year round, Monday through Friday, to promote not only Ontario, but the whole region for visitors that come. As you know, the state, we had a contract, some of you may know, we had a state contract with the Welcome Center out on the freeway a few years back, but then the state took it back upon themselves to man that and house it. So, they close in the winter months, and so we're open year round to do that. In 2017, of course, our numbers were, I wouldn't say inflated, but they were really profitable and promising. Year to day, just so you know, and you have this in front of you, but in '15 we had like 1,800 phone calls, in 2016, 2,300 phone calls, and then 2,400 in 2017. What I'm most excited about is the website. This website traffic alone...Sarah is sitting here, and Silver Signet, rebuilt our website for us in 2016, and we have since maintained a*

much nicer, user-friendly website. You can see that year to date, just the hits on the website alone has jumped from the 24,000 back in 2015 to 63,559 in the year 2017, and that wasn't all just eclipse traffic. You hear me tell the story all the time on how Niagara Falls froze over last week and we were getting requests for people to come see Niagara Falls and things like that. Obviously, our search engine works very well. That particular document I will be bringing back and going into more detail on that note, but I wanted to just kind of have that done. An exciting one that just came in yesterday, and we shared on Facebook, and I heard that comment, and I appreciate that because social media does seem to be the way to be. Oregon Events and Festivals has an annual calendar magazine that they put out, and you may remember, those of you who know, back in 2013, we were chosen as the best multi-cultural festival with America's Global Village Festival. I have built a very strong relationship with Oregon Events and Festival Board and the people that are involved in that, through going to their conferences and everything else, that's one big thing I can say that the longevity of the job, you get to build industry-alike relationships. We were awarded, for 2017, so these will be out in maybe two weeks, this is the digital copy that you guys have in your hands, so we got the cover. The cover is the Aztec dancer, dancing at Global Village. The back cover, of course, is an ad, which we paid for, and then on the inside, page 26, there is another photo of Global Village. Last year they had that similar photo, but they had it down in the Lakeview area instead of ours, so that was part of how we negotiated a really good price on the cover. If you go to Ontario Chamber's Facebook page, you will see that. Another thing that I have done since the last time I came to City Council that you're probably not aware of , is some national advertising, and inside, you have this in black and white in front of you, but inside of the Outdoor Adventure magazine, which goes to almost all doctors in the nation, they put them in their waiting rooms and things like that, we have run an ad that's down here in the corner, and it just has a picture of the Owyhee River with a big fish, and it says the most exciting fishing in the west. I can tell you, as somebody who tracks those, we have had hits off of this ad because people will come to fish the Owyhee River. They call our office, they want to know what's the big secret and how do you catch them. I don't know either of those answers, but we get tourists to do it. I should give them Dan Cummings' number. Of course, every year we spend tons of money because we are asked to in Travel Oregon magazine and Eastern Oregon Visitors Association, and, of course, we promote our events on Travel Oregon's website all the time. Ritz Hospitality is more direct out of the Boise market, and it's to bring people over here to our events, but they always give us a nice article, as well, and we only paid for an ad inside, but since we've had a relationship and done it with them for so many years, they chose to put it on the back. You may remember prior to the eclipse and we were all working, scrambling, Sarah was doing maps, we were all doing different things, we came up with a new brochure that wasn't just for the eclipse but all the motels and hotels here in town have these, and inside, and we did this on purpose, so on the inside, you will see that we had cards in there for lodging, points of interest, dining, and these aren't just Chamber dining places, they are city dining places. We highlight the ones that are Chamber members; events guides, points of interest, and we did that because as we grow as a community, or shrink, but mostly grow as a community, we can change those out a lot quicker than trying to change a whole brochure like the Directory, or whatever. We are pretty proud of those. That was TOT funds that paid for those. The fun guide that we've done for several years now, this one is done with no advertising on it. This is all done with TOT money, and these go out any time somebody calls and wants a relocation packet, a visitor's packet, walks in the office and wants information about Ontario, it's kind of a simple insert and it has local areas and then goes out a little further to the Baker region and then south of Malheur County. The gravesite had some interest just yesterday from Oregon Historical Society, which Dr. Daniels is on the Malheur County Society, and he works for that. Street banners – so the last year, in 2017, we replaced the blue street banners that were around town when they took down the Christmas decorations prior to the eclipse. Those cost about $6,600 to do, and we plan on doing that again. I'm going to get with Cliff and Betsy and Casey in the next few weeks, and I've got a catalog coming to replace the Christmas decorations. You may have noticed this year, especially, the decorations are really beat up downtown, and the ones that we used to put on the underpass, which were the big wreaths, were to the point of no repair. So we just decided not to put those up, so we obviously need to spend some money and put those up. Twice in the last year, we brought in writers from Travel Oregon magazine and Travel Oregon, some bloggers, to tour the area and do some things. We've had a couple different workshops and we're working on a campaign right now with Eastern Oregon Visitors Association and Travel Oregon for agritourism, and I just submitted a grant yesterday for more training on that. In the last year, we started the white board series. Some of you are aware of that. That was a hospitality training for our people who are in the hotels, motels, and restaurant business to get together one night a month to get to know each other and talk about what they do. We moved around to the different locations and did that. We are working hard with the charm trail to get more people in here. We advertised in RV magazines, we do a lot. I know, by statute, and by law, and I know you guys have discussed this already because I've seen the minutes and notes, how the TOT funding goes, and what the state regulations are. I know you're looking at all that and everything. I do agree that if there's a way that you can take TOT money

that was dedicated to the Aquatic Center, or the Splash Pad, I'd be 100% in support of that. It's very difficult to market a city that doesn't have a golf course; it's very difficult to market a city that doesn't have a library – we were able to get the library saved through a district – it's very difficult to market a city that doesn't have a swimming pool, and it would be very difficult to market a town that doesn't have a Recreation Department. If there is a way to either do districts, or friends of, or whatever it takes, we here at the Chamber are certainly going to support that, and we are going to support helping you find ways to do that. I will say that I've heard a lot of comments that we did not take a position, and we have not taken a position, on the 1% sales tax, and I can tell you that the Chamber Board is probably not going to take a position on the 1% sales tax between now and May. We will try and education; we try and be informed on both sides, but we will lose a whole lot of members if we push one way, and we can lose a whole lot of respect from the city if we push another way. We are in a really tough position when it comes to that. I personally know that the importance of finding money is very important. I sat on the Revenue Committee back before most of you were on the City Council in 2005, and I remember long discussions about restaurant taxes and gas taxes and sales taxes. I promised that I'd only talked for an hour and a half today, and I think that's probably why prior City Council's asked me to quit coming. So, I just want to end on a question. What would you guys really like me to present to the full City Council; what kind of questions might be coming up? I can always try and answer them there, and maybe come back with more detail.

Councilor Capron asked there was no funding for the Chamber, how much would the city be missing out on compared to all the advertising being done. They did a lot of advertising, but would Ontario notice it?

Mr. Breidenbach stated: *Yes. I believe that not only immediately would there be an effect, but down the road. Not only from working with Mr. Cummings and others for the economic development side, as tourism is a big part of economic development, but if you were to have to rebuild the system and bring tourism in the house, by law that's what you'd have to do, you'd have to hire somebody for the city, put it under Dan's hat or something, and make it happen. The relationships that are built and going out. You're only going backwards instead of forward on economic development and tourism. If I left the Chamber, it would still be that way. You'd still want to have it at the Chamber where they have relationships and everything like that. One of the questions is so there's a $30K fund that the Chamber and city sits together on, called the V&C grant. What that is, on that TOT tax that was collected for the Chamber, $2,500 comes directly off of the Chamber's portion. I know that during the report a few months ago when it was discussed, there as talk about that $2,500, that comes right off the check that we get at the Chamber form Kari to go into that grant fund. And then anybody can apply for the grant. If it met the criteria, and there's a city board that sits on that – Adam and I are ex-officios on it – and if it's gonna bring overnight stays, beautification, education, and media projects, they can apply for it. So, like yesterday, I was at the SREDA meeting, and Weiser is planning on doing a country music festival similar to what Mountain Home does, the week before Fiddle Festival and the week after Global Village, which is Relay for Life and a lot of other things here in town. But if they did that, they'd bring in a lot of people. The good thing is, for Ontario, if Payette, Weiser, Fruitland, bring in people, whether it's the Big Nasty or whatever, there's no hotels, and hopefully they're going to keep it that way, so we get those TOT stays. But, I think we would definitely, the money is not going just somewhere being spent. When the Chamber Director gets hired, he or she is also hired to be the V&C Director. That's in the contract.*

Mayor Verini stated Mr. Breidenbach had been very instrumental as the Chamber of Commerce going out and selling our area, and quite effectively, especially with families that were planning on relocating. On the return presentation, he'd like John to address some of the discussions with corporations, their wives, their families, with regard to why they should relocate here. It was an extremely important part of economic development; not only selling the land and the opportunity to get a corporation here, but selling the family and relocating here.

Mr. Breidenbach stated: *I'd be happy to do that. A lot of that comes with trying to relocate professionals here, whether it be a City Manager, doctors, lawyers, that type of thing. We've had a big push back for year that there was nothing for spouses to do in this area – and the Splash Pad will certainly help – and families and everything, and I would be happy to dive into that a little more in detail.*

Councilor Crume thanked Mr. Breidenbach for revisiting everything the Chamber does, and how the funds are used. It was good to have the annual presentation to refresh minds and show new members what all was done.

Mr. Breidenbach stated: *I appreciate that Norm. Part of what happened, in the years past, the City Council would elect so many people at one time, that'd there would be an orientation type day, and I would usually go to that. Then when Adam was appointed, and I don't know what happened this year, but I didn't go to the orientation, and it's usually when you meet with all the staff. I kind of talked Tori into letting me come and have my 45-50 minutes of time, which in Tori's world is always 5 minutes, and I appreciate that. So, in the future, regardless if I come back every quarter or once a year, or whenever, when there are new members on the Council, I will work with Tori to get to that orientation.*

PUBLIC HEARING

Closing of CDBG H15010 for the City of Ontario

It being the date advertised for public hearing on the matter of the Closing of CDBG H15010 for the City of Ontario, the Hearing was declared open. There were no objections to the city's jurisdiction to hear the action, no abstentions, ex-parte contact, and no declarations of conflict of interest.

Kathy Markee, Program Representative, Community in Action, presented. She introduced Rene Harris, Manager, Ontario and Vale Umpqua Bank, who also sat on the review committee and reviewed all the applications and information received from the homeowners to make sure they were making the right decisions.

By statute, was required to read the Public Notice and Notice of Public Hearing into the record:

Public Hearing Notice

City of Ontario is completing a Harney Malheur Residential Housing Rehabilitation grant funded with Community Development Block Grant funds from the Oregon Business Development Department. The location of the project is various locations within the City of Ontario. It is estimated that the project has benefited at least 50 persons of whom 100% are low or moderate income.

A public hearing will be held by the City of Ontario, on January 4th at 12:00 p.m. at Ontario City Hall, 444 SW 4th Street, Ontario

The purpose of the hearing is for the city council to obtain citizens views about the project and to take comments about the local government's performance. Written comments are also welcome and must be received by, 11 a.m. on January 4th, 2018 at 444 SW 4th Street in Ontario. Both oral and written comments will be reviewed by the city council.

The location of the hearing is accessible to the disabled. Please let Tori Barnett, City Recorder at 541-881-3232 know if you need any special accommodations to attend or participate in the hearing.

More information about the Oregon Community Development Block Grant program and the project is available for public review at Community in Action, 915 SW 3'' Avenue, Ontario, Oregon during regular office hours. Advance notice is requested.

Ms. Markee stated: *The residential rehabilitation grant program is a means for low to moderate income homeowners to do needed repairs to their homes. Their financial situation does not allow them to get traditional bank financing. There were 18 projects were funded with this grant; All homes were within the city limits of Ontario; Projects benefited 52 persons living in the rehabilitated homes; Senior citizens owned 10 of the homes, six of those homeowners are disabled or a member of their household is disabled, one is raising her grandchildren. Nineteen children live in the homes rehabilitated; Community in Action was able to coordinate weatherization and USDA programs with qualified residential rehabilitation grant program homeowners; leveraged funds in the amount of $41,570.00 was also used for energy efficient upgrades on 6 of the home projects; and all homes rehabilitated are now equipped with smoke detectors and carbon monoxide detectors where needed.*

Community in Action would like to thank the City of Ontario for the opportunity to manage the Owner-Occupied Housing Rehabilitation grant program. We look forward to working with the city again to assist the citizens of our city.

In closing, Ms. Markee read a transcript of a voicemail left on December 7, 2017, from a very grateful grant recipient: *Hey Kathy this is [intentionally removed caller's name], the furnace fellow came here and was able to get the furnace on lickity split. And then he came in and told me, I said oh, thanks for getting the furnace going, he said oh no, I turned it off at the breaker box, he said the reason the furnace was off was because the wiring to the furnace was over heated and to leave it off until the new furnace gets here. If I'm cold, get more space heaters. And the furnace is under the house right where the bedrooms are, Kathy you saved us getting burned, if it had caught on fire when we were asleep we would have been dead. So, I'm very grateful you are doing my new furnace, Thank you.*

Ms. Markee stated In this particular grant, the amount of mold in bathrooms was unbelievable, and it's from leaks from their roofs, and not having adequate ventilation.

The Hearing was opened for public testimony.

Proponents:
Megan Cook, Ontario, stated: *I don't know exactly what Kathy's report covers, but I do know that all of the people that go to do the work on these jobs, also work in our community, and they are creating jobs for these people as well, or for others.*

Rene Harris stated: *Being part of the committee has really opened my eyes. I've been in banking for 20 years and these people that are getting these loans or the grants, really, really need them. I mean, they've tried traditional financing, and we've tried everything we can do at the banks, and we can't help them, for lack, most of the time, honestly, it's debt to income. We go off the debt to income, and they just don't make the money to help them get new roofs and windows and electrical issues that they're having, so, for me, this is, I enjoy being on this community because I can help the people that I can't normally help in my paying job. So, I just want to say I think it's a great program and I hope that we continue to have programs like this that we can help the community.*

Opponents:
None.

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

NEW BUSINESS

Appointments to Various Boards, Committees, and the Planning Commission
Adam Brown, City Manager, presented.

The city was currently recruiting volunteers from the community to serve on the various Boards, Committees, and Planning Commission. An advertisement was placed in the Argus Observer, the Reminder, on the city's website, and all current members with expiring terms of service were contacted directly. The Council has historically appointed individuals to fill positions on the various city committees as they become vacant or open.

Further, on December 7, 2017, the Council passed Resolution #2017-138, which created an Ad Hoc Committee, to address the marijuana issues in the community. Councilor Dan Capron was assigned to sit as the Liaison to this Committee.

There were two positions open on the Airport Board, one regular and one Alternate position; two applications were submitted. There was one position open on the Budget Board; two applications were submitted. Four applications were submitted for appointment to the Marijuana Ad Hoc Committee, which currently had zero members. Council had not yet determined the number of members to have on this Committee. There was one position on the Planning Commission; one application was submitted. There were three positions open on the Public Works Committee; one application was submitted. There were two positions on the Visitors & Conventions Bureau Board; one application was submitted.

Staff would like to fill the open positions as soon as possible. City policy stated appointments to all Boards, Committees, and the Planning Commissions were to be made by the Mayor, with consensus of the Council.

CRUME moved, PALOMO seconded, **TO REAPPOINT JACK TERRY TO THE AIRPORT COMMITTEE, AND APPOINT JOHN FREEBURG TO THE AIRPORT COMMITTEE IN THE ALTERNATE POSITION WITH TERM OF OFFICE COINCIDING WITH THE ESTABLISHING ORDINANCE**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

CARTER moved, CRUME seconded, **TO APPOINT CHARLOTTE FUGATE TO THE BUDGET BOARD WITH TERM OF OFFICE COINCIDING WITH THE ESTABLISHING ORDINANCE.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Councilor Crume asked if they had determined the number of members for the Marijuana Ad Hoc Committee – was it five, seven, or?

Tori Barnett, City Recorder, stated there was no record of a set number being determined.

CRUME moved, CARTER seconded, **TO APPOINT FLORA GIBBS, BRAD BARTOLOME, AND JOHN KIRBY TO THE MARIJUANA AD HOC COMMITTEE, WITH TERM OF OFFICE COINCIDING WITH THE ESTABLISHING ORDINANCE.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-no; Winebarger-out; Verini-yes. Motion carried 4/1/2.

CRUME moved, PALOMO seconded, **TO REAPPOINT CRAIG SMITH TO THE PLANNING COMMISSION WITH TERM OF OFFICE COINCIDING WITH THE ESTABLISHING ORDINANCE.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

CRUME moved, CARTER seconded, **TO REAPPOINT SCOTT WILSON TO THE PUBLIC WORKS COMMITTEE WITH TERM OF OFFICE COINCIDING WITH THE ESTABLISHING ORDINANCE.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

CARTER moved, PALOMO seconded, **TO REAPPOINT DEBBIE BLACKABY TO THE VISITORS AND CONVENTIONS BUREAU BOARD WITH TERM OF OFFICE COINCIDING WITH THE ESTABLISHING ORDINANCE.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Approval of Abatement Write-Offs

Kari Ott, Finance Director, presented.

Before the Council was a list of abatement accounts that were over 120 days old that staff would like to send to collections. As required by the Allowance for Bad Debts and Write Offs policy the council needs to approve accounts to write-off before they are written off and/or sent to collections. There was $19,547.84 of past-due abatement accounts to send to collections. that are deemed uncollectible by the City Finance Department. Sending these accounts to collection will allow a clean beginning to begin the civil penalties and lien process for abatements.

The Council could take no action on this matter; however, this would leave the past due accounts on the city books which most likely will never be collected.

Councilor Crume stated on the larger amounts, where those one-time deals, or continuous.

Ms. Ott stated many were due to multiple abatements.

Councilor Crume asked if they could receive the names on the accounts, not just numbers.

Ms. Ott stated yes, as that was a matter of public record. She would have them ready for the next meeting.

CAPRON moved, PALOMO seconded, **TO APPROVE THE LIST OF PAST DUE ABATEMENTS AS PRESENTED, AND AUTHORIZE SENDING THE ACCOUNTS TO COLLECTIONS.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Splash Pad Contract Approval
Adam Brown, City Manager, presented.

Sufficient funds were now available from the Transient Occupancy Tax revenues and other fund splash pad fund raisers to build the Ontario Splash Pad. A master plan was conducted by the Friends of the Aquatic Center and Seder Architecture and Urban Design in the spring of 2017. The ultimate goal of the master plan was to renovate the Ontario Aquatic Center. The study identified a splash pad as Phase I of the renovation. This was a low cost way to open an activity at the Ontario Aquatic Center.

Funds were budgeted for the Aquatic Center from Transient Occupancy Tax. The splash project was budgeted in the 2018 Capital Improvement Program. Phase One of the Ontario Aquatic Center Master Plan was to create a 4,000 square foot splash pad with 23 water features. The new Splash Park and its supporting features would create an immediate draw which was the purpose of the transient occupancy tax. It would be very visible from 4th Avenue along with the adjacent skateboard park. This would create an immediate attraction to Ontario and area families, teens and young children.

This contract cost of $262,516 was just for the splash pad. Other elements of the design would be paid for by business sponsorship's and other grants.

As of the 6th of December the Aquatic Fund had $198,670 in Transient Occupancy Tax funds and staff expected to have another $64,000 by the end of the 2018 fiscal year. This would be a total of $262,670. Additionally, the project received a $25,000 grant from the St Alphonsus Foundation and $814 in other donations. There was another $41,500 in donations, in addition to the $288K in the report.

Staff would like to move forward with the project now since there were sufficient funds available. The Friends of the Aquatic Center worked very diligently on behalf of the city. Many volunteer hours had been spent in the public fund raiser events such as Splash Fest which had been held two years in a row and the haunted house this past fall. The Friends of the Aquatic Center would continue to hold fundraisers to advance other elements of this phase and other phases of the project. Council approval was required to award the contract to Anderson Poolworks. Several proposals were vetted by the Friends of the Aquatic Center and Anderson Poolworks was chosen as the best proposal.

If the Council opted to take no action, it would halt progress on this project until a further date. It could also potentially result in a contract change with Anderson Poolworks.

Councilor Crume stressed that the community needed to know that there was no property tax money being used for this project. That message needed to get to the community.

CARTER moved, PALOMO seconded, **TO APPROVE AWARDING A CONTRACT TO ANDERSON POOLWORKS FOR $262,516 FROM BUDGETED TRANSIENT OCCUPANCY TAX AND FUNDRAISING MONEY.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Staff was directed to get a sign in place at the site which addressed the funding of the project, specifically that it was NOT funded with taxpayer dollars, but with TOT funds, donations, and contributions. Further, to set the ground-breaking ceremony as soon as possible.

Resolution #2018-101: Housing Incentive Program
Adam Brown, City Manager, presented.

The City Manager was recommending one additional revision to the recently adopted Housing Incentive Program to attract single family, owner occupied housing to the city. Resolution No. 87-103 established the City of Ontario Business Loan Fund and loan allocation procedures, passed on 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:

- 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 were prepared and approved by the Ontario City Council on December 19, 2017.

A revision to the recently passed Housing Incentive Program was requested by several Council members that the funds not be awarded to projects already receiving or who would be receiving other governmental funding.

Several inquiries had already been made about the program.

This program would have a positive impact on the General Fund. Initially, as additional revenue came in from new construction built under these agreements, the taxes would be transferred to replenish the Business Loan Fund.

After the incentive program money was replenished, the city would see 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.

Multiple contractors and individuals had approached the city with interest in the program since it was presented conceptually to the City Council. Staff anticipated it would be received well by the community. Amendments to the Business Loan Fund Rules and Procedures must be approved by the City Council. If the Council chose not to pursue this program, the program would stand as recently passed by Resolution #2017-143.

CAPRON moved, CARTER seconded, **TO APPROVE RESOLUTION #2018-101, A RESOLUTION REVISING THE CITY OF ONTARIO BUSINESS LOAN FUND AND LOAN ALLOCATION PROCEDURES RECENTLY REVISED BY RESOLUTION #2017-143.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Resolution #2018-102: Requesting a Change in the Boundary of the Malheur County Enterprise Zone
Dan Cummings, Community Development Director, presented.

The offices of the County of Malheur, City of Ontario, City of Vale, and City of Nyssa are requesting a change in the boundary of the Malheur County Enterprise Zone that would add the area indicated in Resolution 2018-102. In 1999 under Resolution 99-111, Malheur County, City of Ontario, City of Vale, and the City of Nyssa successfully applied for an enterprise zone, which was designated as the Malheur County Enterprise Zone by the Director of the Oregon Business Development Department (dba Business Oregon). The designation of an enterprise zone did not grant or imply permission to develop land within the zone without complying with all prevailing zoning, regulatory and permitting processes and restrictions of any and all local jurisdictions; nor did it indicate any public intent to modify those processes or restrictions, unless otherwise in agreement with applicable comprehensive land use plans. This Enterprise Zone and the tax exemption that it offered for new investments in plant and equipment by eligible business firms were critical elements of local efforts to increase employment opportunities, to raise local incomes, to attract investments by new and existing businesses and to secure and diversify the local economic base.

On May 18, 2015, under Resolution 2015-123, the City of Ontario adopted the current Malheur County Enterprise Zone boundaries. At the time of adoption of Resolution #2015-123, a portion of the property under this new request for Ontario, shown as Tax lots 1000, 1100, 1200, 1400, 1500 and 1600, were inadvertently left out of the adoption, along with Tax Lots 1300 and 1800, which were now proposed to be added to the Enterprise Zone.

A public notice of the change in the boundary of the enterprise zone was submitted to the Argus Observer newspaper and Malheur Enterprise newspaper, and a public meeting was held by the Malheur County Court on December 20, 2017, in conjunction with the adoption of this resolution, to hear the response of the citizenry to the proposed change to the Malheur County Enterprise Zone requested herein. At said meeting, the County Court adopted Resolution R17-41 and recorded the resolution under Instrument #2017-4736.

The change in the boundary of the Malheur County Enterprise Zone would allow the property described to be eligible for tax abatement. The applicant's business activity had to fall under qualifying activity outlined in Oregon's enterprise zone program.

The County approved their portion of the process on December 20th and, for the action to be finalized, the Ontario, Nyssa and Vale needed to approve their portions.

The City Attorney has reviewed the resolution for consistency with the agreements established.

CRUME moved, CAPRON seconded, **TO APPROVE RESOLUTION #2018-102, A RESOLUTION REQUESTING A CHANGE IN BOUNDARY OF THE MALHEUR COUNTY ENTERPRISE ZONE**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Resolution #2018-103: Increasing Fees for Youth Soccer, Girls Softball, and Out of City Fees
Debbie Jeffries, presented.

The Ontario Recreation Department would like to increase the Youth Soccer, Girls Softball, and Out of City Participant fees. The department had not raised fees for these three areas in several years. Increasing fees would help offset the amount the department was subsidized from the General Fund. Staff believed that increasing this small amount would help insure that participation would not decrease due to the cost of the program. The department would bring in more revenue with these larger fees and would decrease the amount of the subsidy from the General Fund.

Ms. Jeffries suggested the following:

Current Fees		Suggested New Fees
Youth Soccer	$36	$40
Girls Softball	$38	$40
Out of City Fee	$ 5	$ 7

Action to raise fees should be done now. Registration for these sports would begin in late January and early February. Only the City Council had authority to approve fees.

Adam Brown, City Manager, stated he was proposing a higher increase, but acknowledged that a larger increase could, while bringing in more revenue, also result in a decline in participation.

Councilor Crume stated there wasn't a right or wrong answer, but he had heard outcry from some citizens about spending money from the General Fund for non-essentials in the city when core services had to be provided to the community. He didn't believe they had to reduce the entire deficit of $134K, but they needed to make a significant change. Raising fees just a few dollars wouldn't get them where they needed to be. To break even, they'd need to increase the $36 to $84, but that would decrease participation drastically. He'd like a business plan developed now to bring down the expense put on the tax payers, and have those results ready for the Budget Hearing process. There was a risk of having to shut down the Recreation Department, but he didn't want that to happen. But, they needed to decrease the amount of subsidy being given to out of city participants.

Councilor Capron stated the rates proposed didn't show the real situation of the budget. The fees needed to be higher.

Councilor Carter stated this community and its children needed the Recreation Department. They needed to keep the kids whole, and keep them busy. She did not believe the Budget Board would cut the Recreation Department.

Councilor Palomo asked Ms. Jeffries when people came in to register for activities, what was the percentage who made comments about not having the funds to pay.

Ms. Jeffries stated she didn't know a percentage, but there were a lot. Out of the 850 soccer people, there were probably 150+ who brought in pop cans, or different family members sending money to meet the full amount. A lot of the players were actually homeless. But, there were also several people who asked her to let them know what extra was needed, and they'd make a donation. Families with multiple kids playing, struggled more.

Councilor Palomo asked about the $5 out of city fee; how did that go.

Ms. Jeffries stated they started off complaining, but it had decreased over time.

Councilor Palomo asked if at the end of the soccer season, was it just over, or was there a tournament that could be developed, facing off the champions from various other areas, for maybe a week-end tournament.

Ms. Jeffries stated with rec leagues, it was difficult to do that. With recreation, if one kid or team got a medal, every kid or team got a medal.

Councilor Carter asked about establishing a sliding fee. If not, there should be one.

Ms. Jeffries stated there was not. People asked for one.

Councilor Carter stated when families signed up their kids, were any of them asked if they could sponsor a child. Was there anything saying that couldn't be done?

Ms. Jeffries stated it had not specifically been asked.

Mr. Brown stated there had been a donor this year alone; a $500 donation from Guild Mortgage. Also, city staff had stated they'd sponsor kids, along with businesses in the area. They could certainly set up some type of donation envelope that would add to that account line.

Councilor Carter asked what they, as Council members, were willing to do. How were they giving back? It was something to think about.

Councilor Capron asked if they had ever researched establishing a booster group, or a "friends of" whatever. Do auctions or fundraisers, etc. However, the rec department not having winners and losers, was wrong, and not everyone needed a "participation" ribbon or trophy. He'd personally hauled kids to practices and games, provided food and beverage to players who wouldn't have it otherwise. As a coach, he saw that there were some kids who just didn't have anything. Coaches would provide not just food or beverage, but sometimes shoes, gloves, hats, etc.

Councilor Carter addressed Chief Kunz with regard to PAL, the Police Athletic League, who covered all recreational activities for children. Would that be some type of program that could be started in this community?

Cal Kunz, Police Chief, stated he would need to do some research. He had heard of it, and thought it was fantastic.

Councilor Palomo stated the Nampa Police Department participated in that during baseball season.

Chief Kunz stated anything promoting positive interaction between the department and the youth would be a good thing.

Mayor Verini asked when the set information had to be sent out.

Ms. Jeffries stated mid-January, but they could wait until after the next Council meeting. She had to print several thousand forms. Registration for soccer began on February 1st.

By statute, the Council was required to accept any public comment on this action. No comments were made.

Councilor Crume stated Ms. Jeffries had proposed a soccer fee increase of $36 to $40, girls softball increased from $38 to $40, and out of city fees increased from $5 to $7. However, that wasn't quite enough.

CRUME moved, CAPRON seconded, **TO APPROVE RESOLUTION #2018-103, AS AMENDED, A RESOLUTION INCREASING THE FEE FOR YOUTH SOCCER FROM $36 TO $44; GIRLS SOFTBALL FROM $38 TO $44; AND OUT OF CITY PARTICIPATION FEES FROM $5 TO $10**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Resolution #2018-104: Establishing Lien Search Fees

Kari Ott, Finance Director, presented.

At the Council meeting on December 19, 2017, the Council gave consensus to pursue the Electronic Lien Docket process and to approve lien search fees. This would create a more efficient and cost-effective solution for recording liens.

Based on comparisons within other cities in Oregon that charge lien search fees, staff was proposing a $25 fee on a per search basis. The following were some cities that charged lien search fees:

10 CITIES CLOSEST TO ONTARIO THAT USE CONDUITS		
Baker	$40	
Pendleton	$20	
Milton-Freewater	$25	
Hermiston	$25	
The Dalles	$25	
Madras	$25	
Redmond	$25	
Bend	$25	
Cascade Locks	$25	
Sandy	$30	
HIGHEST SEARCH FEE IN OREGON		
Lake Oswego	$58	
LOWEST SEARCH FEE IN OREGON		
Warrenton and Cannon Beach	$10	
*Most Cities in Oregon charge a fee of $25 or more.		
Per Ryan Hosek, Conduits		

This would generate a minimal amount of revenue which would cover administrative costs and also reduce lien filing costs for the city.

This should be approved as soon as possible to enable the Electronic Lien Docket process to move forward. Without Council approval, the city will not be able to charge for lien searches.

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."*

CAPRON moved, CARTER seconded, **TO APPROVE RESOLUTION #2018-104, A RESOLUTION ESTABLISHING LIEN SEARCH FEES.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

DEPARTMENT HEAD UPDATES

Finance Monthly Report: Nov, 2017
Kari Ott, Finance Director, presented. Report attached.

City Recorder Semi-Annual Report: Jul-Dec, 2017
Tori Barnett, City Recorder, presented. Report attached.

Police Department Quarterly Report: Oct-Dec, 2017
Cal Kunz, Police Chief, presented. Report attached.

Airport Quarterly Report: Oct-Dec, 2017
Dan Beaubien, Airport Manager, presented. Report attached.

HAND-OUTS/DISCUSSION ITEMS

Department Stats
Ontario Fire & Rescue: Dec, 2017 (Attached)
Public Works: Nov 18-Dec 15, 2017 (Attached)
Ontario Police: Nov, 2017 (Attached)
Code Enforcement: Nov, 2017 (Attached)

Minutes
Public Works Committee: Oct, 2017 (Attached)

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

Councilor Capron asked if they were still having a Budget gathering on the 9th?

Ms. Ott stated she had heard from some members, but not all. Charlotte Fugate wouldn't be able to make it.

Councilor Capron would be there, as would Councilor Palomo, and probably Councilor Carter.

Councilor Crume stated one of next year's capital projects was the security fencing at the airport. One comment from an Airport Committee member was to split those funds to purchase some much needed equipment. While he agreed the equipment was needed, he was against the move to split. The security fencing was needed to protect the assets that were already there. He also gave kudos to the Airport Manager – he was doing a great job.

Councilor Carter stated there was a lot about this city that maybe the Council didn't know about. She hadn't visited like she should, some of the departments. Were they going to set up something that would have every Councilor involved, a visit to all areas of City Hall? That should be part of their orientation. They needed to really see how the city worked, all of the departments.

Mr. Brown stated for new Councilors, he liked to do a one-on-one, or two, orientation. He'd like to add something like what Councilor Carter was suggesting to the annual Councilor Retreat Process. They could incorporate the day-to-day happenings that occurred in the background. Any of the Department Heads would be happy to take a Councilor around, showing what they did every day.

Councilor Palomo stated they needed to stay positive, stay moving forward, stay on track, and try to get the community, like with the Splash Pad, looking at the donations, that's the way the city and the people needed to work together. He believed they were headed that way. Keep up the good work! It's tougher with fewer people, but great job on working with what you have.

Mayor Verini stated there was a meeting with Budget Board coming up, but also a vote coming up in May regarding the sales tax. Staff had recently hired two police officers, which might not be sustained depending on the money situation. Was there a possibility that they could develop a figure that they would have to shoot for, like the $8 street fund that was on the utility statements, so the city wasn't caught short if the sales tax failed? What dollar amount could be put with that?

Mr. Brown stated he didn't think they should do one department at a time. They needed to look at it all as one. It could be done, but it wouldn't be by next week.

Adam Brown stated the city had received a proposal from the state to refinance two bonds, with a present value savings of approximately $300K. That's between $20-30K a year annually that could be saved through refinancing. That would be back to the Council on the 16th.

Mr. Brown stated the Sales Tax Discussion Page on the city's website had been reformatted. They'd be adding more detail as they moved along.

Mr. Brown stated they'd be asking for proposals from engineering companies that could build or design a spec for airport hangars. Instead of having it engineered and then seeking bids, he'd like to have an engineer write specifications, given the parameters provided by the city. Then they'd award a design build on those specifications. That would be financed through Business Oregon through the state financing mechanism.

Larry Sullivan stated when reviewing the Attorney General's Public Meetings Laws that he had not proposing the city do, but they should be doing. When the Council was going into an executive session and there were members of the public present, and the Council knew they'd be coming out and making a final decision, the Council needed to inform the public an estimate of how long the session would run, to give those people a chance to hear the final decision.

EXECUTIVE SESSION

Executive Session: ORS 192.660(2)(h)
An executive session was called at **2:59 p.m**. under provisions of ORS 192.660(1)(h) *regarding real or potential litigation.* The Council reconvened into regular session at **3:07 p.m.**

REGULAR SESSION

CRUME moved, CARTER seconded, **TO DIRECT THE CITY ATTORNEY TO COMPOSE A LETTER WITH CHANGES ADDRESSED IN THE EXECUTIVE SESSION.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Councilor Justus joined the meeting at 3:21 p.m. via telephone.

AMEND AGENDA

CRUME moved, CAPRON seconded, **THAT THE COUNCIL ACCEPT THE LETTER COMPOSED BY ADAM BROW AND TO ADD IT TO THE AGENDA.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/0/2.

Mr. Brown stated he had added one sentence to the end of the letter. This letter would be sent only to Malheur County Economic Development, and not to any state agency. When they had met with Representative Bentz, they told him that the city planned to send a letter just to the corporation, not to the state, and that it would extoll the virtues of the Ontario site, but still express support for the Nyssa site.

Councilor Justus stated he didn't think there was anything wrong with the letter.

Councilor Palomo stated he believed the letter was well-written.

JUSTUS moved, CARTER seconded, **THAT THE COUNCIL ACCEPT THE LETTER AS WRITTEN AND SEND IT TO THE MALHEUR COUNTY ECONOMNIC DEVELOPMENT CORPORATION.** Roll call vote: Crume-no; Carter-yes; Palomo-yes; Justus-yes; Capron-no; Winebarger-out; Verini-yes. Motion carried 4/2/1.

EXECUTIVE SESSION

Executive Session: ORS 192.660(2)(d)
An executive session was called at **3:36 p.m**. under provisions of ORS 192.660(1)(d) *to discuss labor negotiations.* The Council reconvened into regular session at **4:09 p.m.**

REGULAR SESSION

CRUME moved, CAPRON seconded, **THAT THE CITY COUNCIL APPROVE THE TENTATIVE AGREEMENT WITH THE ONTARIO POLICE OFFICER'S ASSOCIATION FOR THE CONTRACT RENEWAL OF JANUARY 1, 2018, THROUGH DECEMBER 31, 2020.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-out; Verini-yes. Motion carried 6/0/1.

ADJOURN

CRUME moved, CAPRON seconded, **THAT THE MEETING BE ADJOURNED**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-out; Verini-yes. Motion carried 6/0/1.

ACCEPTED:

Ronald Verini, Mayor

ATTEST

Tori Barnett, MMC, City Recorder