CITY COUNCIL WORK SESSION MINUTES
May 3, 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, May 3, 2018, 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, Marcy Siriwardene, Larry Sullivan, Kari Ott, Debbie Jeffries, Terry Leighton, Dan Cummings, Cal Kunz, and Cliff Leeper.

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 May 1, 2018. Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website www.ontariooregon.org.

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

OLD BUSINESS

Ordinance #2740-2018: Amend Ontario Municipal Code 3-25-3; Adding 3-25-3(Q) Regarding Exemption of Precious Metals, Coins, Currency, and Bullion from the 1% Sales Tax FINAL READING

Larry Sullivan, City Attorney, presented.

The City Council adopted Ordinance #2729-2017 on September 26, 2017, implementing the collection of a 1% sales tax. Citizens of Ontario filed a Petition in opposition of the ordinance, placing the action on the May 15, 2018, ballot. The Petition stayed Ordinance #2729-2017, pending results of the election. Proposed Ordinance #2740-2018 would add subsection (Q) to Ontario Municipal Code 3-25-3, exempting precious metals, coins, currency, and bullion from the 1% Sales Tax.

On April 17, 2018, the Council adopted Ordinance #2740-2018 on First Reading; however, if the sales tax ballot measure be defeated in the May 15th election, the amendment would become moot. There had been no changes to the proposed ordinance since First Reading.

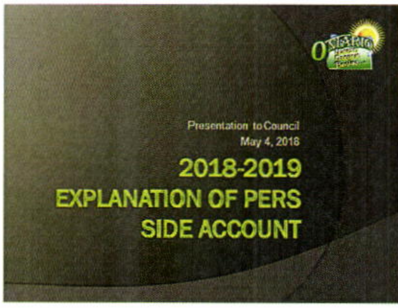
With an approximate profit margin of 2% on product, the exemption would not prove a significant loss to monies collected through the 1% sales tax. This exemption would not change the revenue estimate for the sales tax since it was not included in the consultant's report. If approved on final reading, the earliest the ordinance amendment would go into effect was June 3, 2018. Should the sales tax ballot measure be defeated in the May 15th election, the amendment would become moot. An existing ordinance could only be amended by another ordinance. The City Council was the approving authority for ordinances, and the action required two readings.

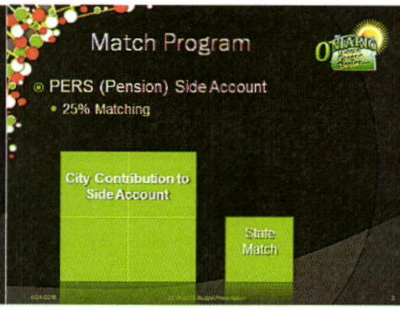
CARTER moved, WINEBARGER seconded, **THE CITY COUNCIL ADOPT ORDINANCE #2740-2018, AN ORDINANCE AMENDING SECTION 3-25-3 OF TITLE 3, CHAPTER 25, OF THE ONTARIO MUNICIPAL CODE TO ADD SUBSECTION (Q) REGARDING THE EXEMPTION OF COLLECTION OF THE 1% SALES TAX ON PRECIOUS METALS, COINS, CURRENCY, AND BULLION, ON SECOND AND FINAL READING BY TITLE ONLY.ON SECOND AND FINAL READING BY TITLE ONLY.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

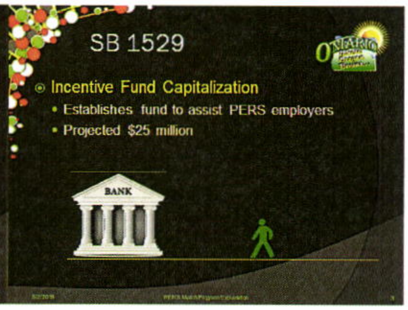
NEW BUSINESS

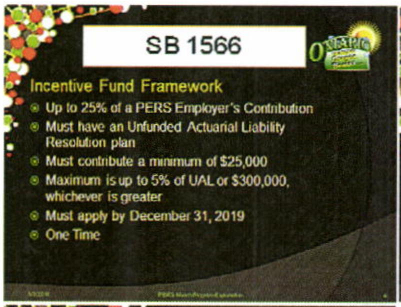
PERS Side Account Explanation

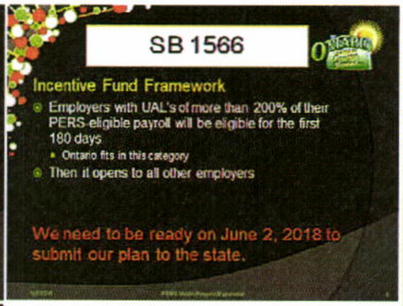
Adam Brown, City Manager, presented.

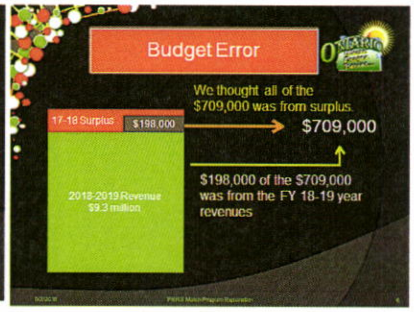


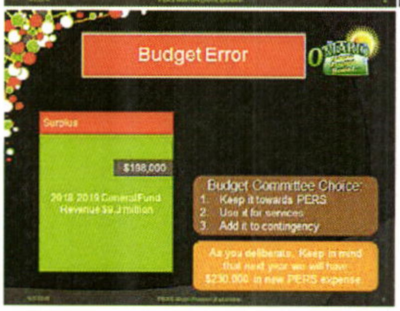












DEPARTMENT HEAD UPDATES

Financial Report: April, 2018

Kari Ott, Finance Director, presented. (Report attached)

Public Works Report: Quarterly (Jan, Feb, Mar, 2018)

Cliff Leeper, Public Works Director, presented. (Report attached)

Community Development Report: Quarterly (Jan, Feb, Mar, 2018)

Dan Cummings, Community Development Director, presented. (Report attached)

HAND-OUTS/DISCUSSION ITEMS

Public Safety Fee

Councilor Justus these next four issues have been discussed before. The city currently had the $8 fee on the water bill now, but it didn't take into consideration that if one meter serviced a 30-unit manufactured home park, or a multi-unit complex, the city was only receiving $8 from one meter vs. $8 for every unit that was in the park or complex. That's really what was needed. Forty units in a park, they were all using the roads, but only paying one $8 fee. It was important to do an inventory, ask the owner, reassess, do an audit, to get all units paying the fee.

Mayor Verini stated there were businesses that had hundreds of employees and it was the same situation there as with the size of the complex or park. The city needed to find a way to fairly collect that public safety fee through the distribution of the number of persons in the businesses, as well as the units. He'd suggest having the City Manager research if that could legally be done, and were there other communities that had experienced this situation.

Councilor Crume asked the City Attorney if he had heard of this type of action before.

Mr. Sullivan stated cities in Oregon impose many fees. They were generally allowed in Oregon because of the home rule provisions in the Oregon Constitution that authorized cities to impose fees and charges if there was a rational connection between the fee and the services provided, and if they were not pre-empted by state law. It could not be treated as a tax, as that was limited by law. If a fee was being assessed to reimburse the city for the cost of that service, which streets and public safety would fall under, the cases upheld the right of the cities to impose those fees.

Council consensus to have the City Manager research the issue.

Utility Fee Distribution Policy

Mr. Brown stated it was the same discussion, just a different fee.

Business Use Fee

Councilor Justus stated he knew there was a $25 fee for registration, but he was interested in an actual business fee. It wasn't a registration fee. It was about users paying for the services.

Council consensus to have the City Manager research the issue.

Cemetery District

Councilor Justus stated if they were going to form a Recreation District, then do a Cemetery District, too. If the citizens didn't want that, then stop selling gravesites. Don't stop servicing or mowing or taking care of them, but stop selling new ones.

Mr. Cummings stated Evergreen Cemetery had been in a district back in the 20s and 30s. In the 1940s, the District was failing, and no one wanted to be on the Board, but there was no one to take it over. They asked the city to take it, which the city did. They deeded the undeeded lots to the city. When the city took it over, they did not continue collecting a fee. He suggested an increase in fees, and to a stop allowing above-ground headstones.

Council consensus to have the City Manager research the issue.

Sales Tax Exemptions for Consideration: Bikes, Farmer's Markets

Mayor Verini stated he, along with other Councilors, had been approached regarding certain types of activities, such as yard sales, the farmer's market, the Saturday Market, etc., should the 1% sales tax pass. He was not in favor of imposing taxes on those types of "businesses".

Councilor Crume stated regarding bikes, he had read a statement that the state was already charging for bikes. However, the state was just beginning to collect *this* year, and only for adult bikes that exceeded $200 in cost. It was a set fee, not a percentage. He was against exempting bikes from the sales tax, should it pass.

Councilor Justus stated they needed to be consistent. If there was a fee on bikes that cost $200+, an additional $2 wouldn't break anyone.

Councilor Capron stated he wanted to leave Farmer's Markets, and that type of activity, alone, but he also was in favor of exempting bikes that were $200+ in cost. He was opposed to the double fee.
Councilor Winebarger was in favor of exempting bikes that were $200+ in cost.

Mayor Verini stated it appeared the consensus was to exempt the 1% sales tax on bikes that were already being charged $15 by the state.

Mr. Brown stated there had been discussion on the Council related to non-profit activities.

Mayor Verini stated there were two issues. One, the entities such as The Salvation Army or Project Dove, they were taxed in Idaho at the 6%, but regarding activities and functions such as fundraising, would be exempt. He'd like to see the City Manager compose a concise list of what entities they were speaking of.

Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Department Stats:
Ontario Fire & Rescue: Apr, 2018 (Attached)
Ontario Police: Mar, 2018 (Attached)
Code Enforcement: Mar, 2018 (Attached)
Public Works: Feb 23 – Mar 16, 2018 (Attached)

Packet
V&C Meeting: 05-03-2018

Minutes
SREDA: Apr 4, 2018 (Attached)
County Court: Apr 4, 2018; Apr 11, 2018 (Attached)

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

Councilor Winebarger asked to have some research done on a "No-Cruising" ordinance in Ontario.

> Consensus to bring it back to Council, after the City Manager has done some research.

Councilor Winebarger asked to discuss a social media policy. If the Council was taking to social media to make comments, or respond on an issue, they should consider placing something in the Council Rules & Procedures, providing some guidelines. There were already statutes on the books. Also, the LOC had classes they would come over and present.

> Mr. Brown stated if the Council wanted to go that direction, then policies should be developed for staff.

> Council consensus to have the City Manager research and develop social media policies.

Councilor Crume stated the City Manager had done some research into building some hangars at the Ontario Airport, believing they'd be filled up quickly, but financially, it hadn't worked out. However, he had met with Toby Epler, the city's airport engineer, who told him that one major issue that Idaho *didn't* have that Oregon *did*, was prevailing wage. He suggested submitting a note into HB2012 committee, to look into government agencies getting exemptions from prevailing wages.

> Mr. Brown stated they could talk to them, but one direction given was that wages were off limits, but it never hurt to ask.

Councilor Justus asked about going live with the Council meetings, and then dedicate some time at the beginning or the end of the meeting to allow citizens to type in questions or comments. Currently, the citizens had no clue on how the government worked. They all believed the Council was making $100K a year. They needed to be invited, virtually, because it wasn't hard to do.

> Councilor Winebarger stated the Malheur Enterprise had almost 4K people watch the sales tax forum, but only 70-100 people in attendance. People didn't want to go to a meeting at City Hall.

> Mayor Verini stated one problem with that was that people were saying they were part of the community, but they were not. He had actually been communicating with someone from California.

Councilor Winebarger stated they could make that one of the stipulations. The Council would not respond if someone was making inappropriate comments, or it was all negative. It needed to be a legitimate question, and it shouldn't matter where they lived.

Mayor Verini stated that even when a citizen attended a Council meeting in person, the Council listened, gathered information, and later provided a response.

Councilor Justus stated that was a 20th century way of handing a 21st century city. Allow five minutes to accept comments via email, but maybe not provide an answer right then, but let them know someone would reasons at some point. He didn't want to debate with the public via Facebook.

Mayor Verini stated he didn't mind the questions coming in, but he would not get into a debate or an argument with someone that was faceless and might not even be in the country.

ADJOURN

CARTER moved, PALOMO seconded, **THAT THE MEETING BE ADJOURNED**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

ACCEPTED:

Ronald Verini, Mayor

ATTEST

Tori Barnett

Tori Barnett, MMC, City Recorder