CITY COUNCIL WORK SESSION MINUTES
June 7, 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, June 7, 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 was excused. Marty Justus arrived at 12:52 p.m. and departed at 2: 30 p.m. Betty Carter departed at 1:45 p.m.

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

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

Betty Carter led everyone in the Pledge of Allegiance.

AGENDA

This Agenda was posted on June 5, 2018. Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website www.ontariooregon.org.

Council added Resolution #2018-126 to the Agenda. This resolution was in support of the Transportation Growth Management Grant.

CRUME moved, PALOMO 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.

OLD BUSINESS

NPDES Permit Update
Betsy Roberts, City Engineer, Paul Woods, Woods Consulting, and Don Butcher, ODEQ, presented a slide show. (Attached)

Ordinance #3737-2018: Annexation of Tax Lot 3500, Assessor Map 18S4705BD – Urban Growth Area Single Family Residential (RS-50) to Single Family Residential (RS-50) FINAL READING
Dan Cummings, Community Development Director, presented.

The applicants own a parcel of land they want to annex and rezone into the city to connect to the city's sewer line due to a failed septic system. Because of the location of their line, state regulations prohibit repair of that line, and they are being required to connect to city services, triggering the requirement to annex into the city.

This application, if approved, would result in the annexation of 0.41 acres, plus the right of way for NW 4th Avenue, adjacent to the lands, into the city, and also a rezone of the property from Urban Growth Area Residential (UGA-R) to City Single Family Residential (RS-50).

- March 5, 2018, the Planning Commission heard testimony on the action, and recommended approval to the City Council.
- March 20, 2018, the City Council, following a Public Hearing, adopted Ordinance #2737-2018, allowing the second and final reading to be scheduled following the Planning Commission meeting.

Further, the Council instructed staff to cover the cost of extending the required water line. In exchange, the applicants would be required to pay the cost of extending the sewer line with no recapture option.

Applicants/Proponents Ryan and Lindsay Roulston have requesting to connect to the city's water and sanitary sewer lines. The applicants have entered into a Deferred Improvement Agreement (DIA) Instrument No. 2018-1879 with the City of Ontario, whereby they have agreed to connect to the city water line once it has been extended for only the normal costs of installation of the water meter and connecting the home to the service line. All other cost for the water main and service to the property line is to be covered by the city. In exchange, the Roulstons will have recapture rights to the sewer main. The city will receive all the recapture rights for the sewer and water line from all other fronting property owners in their proportionate shares. The agreement also covers future street improvements.

The request was filed on December 1, 2017, by the applicant. DLCD was given its 35-day notice, and the 20-day notice to the affected persons and agencies were sent 20 days prior to the hearings as required by law. The Public Hearings for this action was held on March 5, 2018 and March 20, 2018. The required sewer main was constructed and the home connected as required. A DIA was recorded to cover all the remaining requirements.

There have been no changes to Ordinance #2739-2018 since First Reading with the exception of adding wording to Exhibit B - Map. The Deferred Improvement Agreement has been signed and recorded under Instrument No. 2018-1879.

CRUME moved, CARTER seconded, **THAT THE CITY COUNCIL ADOPT ORDINANCE #2739-2018, AN ORDINANCE ANNEXING INTO THE CITY AND REZONING OF A PARCEL OF LAND BEING LOCATED AT 2601 NW 4TH AVENUE, FROM UGA SINGLE FAMILY RESIDENTIAL (UGA RS-50) TO CITY SINGLE FAMILY RESIDENTIAL (RS-50), ON SECOND AND FINAL READING BY TITLE ONLY.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-out; Verini-yes. Motion carried 6/0/1.

Adopt Final Airport Manual

Dan Beaubien, Airport Manager, presented.

Staff was instructed to review the Airport Manual, adopted December, 2017, and compare it against the city's codes and ordinances for conflicting information. Subsequent to that, it was to be brought back before the City Council for final approval. Staff compared the Manual against city codes and ordinances, and found no discrepancies.

CRUME moved, PALOMO seconded, **THAT THE CITY OF ONTARIO MUNICIPAL AIRPORT AUTHORITY STANDARD MANUAL OF AIRPORT RULES AND REGULATIONS, THAT WAS ADOPTED IN DECEMBER 2017, BE FINALIZED.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-out; Verini-yes. Motion carried 6/0/1.

NEW BUSINESS

Resolution #2018-126: Support Application for TGM Grant

Betsy Roberts, City Engineer, presented.

ODOT has a grant program supporting the development or updating of existing Transportation System Plans (TSP) for communities. The grant would allow the city to update its current plan and incorporate new development, completed projects, and create new streetscape and connectivity thinking.

The ODOT TGM program has been around for several years. The grant requires a 12% match. Grant awards occur in the fall of 2018, followed by several months of scope development, Intergovernmental Agreement development, etc. over the winter. A Request for Proposals would go out in the spring with the goal of consultant selection prior to the end of FY2019 so that the year-long project could kick off at the beginning of FY2020. Essentially the project would cover part of the upcoming fiscal year and the entire next (2020) fiscal year.

With growth on East Idaho, interest in securing grants for trails systems, and developing an improved streetscape on East Idaho, the timing for updating the TSP was good. Because of the reduction of cost, if the grant was awarded, staff would propose beginning the project in FY19 (start July 2019).

The cost of the plan would be up to $21,000 in match, though providing that amount of match as a "mix" had been identified in the grant application. This means the city could provide an equivalent value in labor. It was anticipated that most, if not all, of the cash portion of the required match would occur in FY2020.

A letter of support or resolution of support from the Council was needed now, as the application was due on Friday, June 8.

CRUME moved, CARTER seconded, **THAT THE CITY COUNCIL ADOPT RESOLUTION #2018-126, A RESOLUTION SUPPORTING THE APPLICATION OF AN OREGON DEPARTMENT OF TRANSPORTATION (ODOT) TRANSPORTATION GROWTH MANAGEMENT (TGM) GRANT.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-out; Verini-yes. Motion carried 6/0/1.

Liquor License Application: No Place Bar, LLC

Cal Kunz, Police Chief, presented.

No Place Bar, LLC, completed the "New Outlet" application for Full On-Premises Commercial liquor license privileges through the Oregon Liquor Control Commission for No Place Bar, located at 359 South Oregon Street, Ontario, Oregon. All necessary paperwork has been approved through the Oregon Liquor Control Commission office and is awaiting approval through the Ontario City Council. All legal steps have been followed to completion, with no negative feedback.

A criminal record process was completed on both the owners and managers of No Place Bar, LLC. All records returned meeting state and local requirements. The application forms were completed appropriately and required fees were paid. All permit and license requirements have been met through the Oregon Liquor Control Commission as well as through the City of Ontario Planning Department.

The No Place Bar, LLC, was opening their business at 359 South Oregon Street, Ontario. That location did not have a current liquor license which would allow them to operate. The application process provided the necessary requirements for the Oregon Liquor Control Commission to license that location for New Outlet, Full On-Premises – Commercial. Once this step was completed, this location would have the necessary license which would require renewal on a yearly basis.

If the Council opted to not approve the license application, that action would have no true effect on the process. While the Oregon Liquor Control Commission might take the city's objections to the action into consideration, there was no obligation to do so. OLCC was the ultimate authority on the issuance of the license.

Councilor Justus stated the city had lost a police officer position in the last budget cycle, but the city was approving more liquor license applications. What was it going to take to get the state to understand this was a problem? If there was going to be however many liquor licenses in this town, and not get any assistance for police, why would they keep approving the applications. Why keep saying it was okay? It was not okay!

Mayor Verini stated until the state changed their rules, it would not be fair to deny an individual the opportunity to open a facility with a new license.

Councilor Justus stated they were hurting police officers. Just stretch them that much further. Keep saying it was okay…it was NOT okay. At some point, they had to draw the line and say it was not okay. He knew how to be a squeaky wheel. Police protection in the city was vital, and they just had to cut one officer position. Adding another liquor license and not addressing the shortage of officers, they were not doing the city the service they should be.

Chief Kunz stated if this application was approved, that would bring the total licenses to 51 in the City of Ontario.

Adam Brown, City Manager, reminded the Council that last year a letter had been sent to the Oregon legislature and LOC asking that they review this issue.

Larry Sullivan, City Attorney, believed the city could enact a policy that read it was getting out of the business of approving or denying liquor licenses.

CRUME moved, PALOMO seconded, **THAT THE CITY COUNCIL APPROVE THE NEW OUTLET, FULL ON-PREMISES COMMERCIAL SALES LIQUOR LICENSE APPLICATION FOR NO PLACE BAR, LLC.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-no; Capron-yes; Winebarger-out; Verini-yes. Motion carried 5/1/1.

Social Gaming Fees

John Gutcher, business owner, stated he was there requesting a reduction in fees for his establishment. Any relief would be appreciated. His was the only type of business in Ontario that was subject to these fees, and would like some consideration in a reduction.

Adam Brown, City Manager, presented.

On March 7, 2016, the Council enacted Ordinance #2715-2016, amending its social gaming regulations and allowing social gaming fees, including license and application fees, to be set by resolution of the Council through Resolution #2016-108. Chapter 12 of the Ontario Municipal Code regulated social gambling within the City of Ontario. On March 21, 2016, the Council approved Resolution #2016-108 establishing social gaming fees. The below fees were approved by the Council:

Type	Initial Application Fee	Renewal Fee	License Fee
Nonprofit 501(C)(3) corporations:	\$100.00	\$25.00	\$100.00 Annually \$50.00 Monthly \$25.00 Weekly \$10.00 Daily
Commercial Social:	\$550.00	\$375.00	\$150.00 Annually/Gaming table)

The Owners of the Ontario Poker Room would like the Council to reconsider the fees imposed on Commercial Social Gaming. They have requested to be treated as any other business, which was required to have a business license renewed annually rather than the current fee schedule.

The Ontario Poker Room generated additional patrons in the downtown area in the evenings and early morning. This helped additional businesses downtown such as restaurants. There had not been any citations by the Ontario Police Department on this establishment. Staff had no reason to believe there had been increased law enforcement demand as a result of the commercial social gaming business. The room did bring additional traffic downtown which meant additional services could be required such as police, fire, and additional wear on roads. Social gaming was regulated by city code and did represent a unique business, which was regulated not only by state code, but by state code.

Fee in comparison included **Portland:** Fee Schedule \$500 per location annually; **Bend:** One time application of \$75 per table; **Coos Bay:** One time investigation fee of \$65 and then \$50 per table per month; **Redmond:** \$300 Application Fee and \$70 Investigation Fee; **Klamath County:** \$100 annually per card table; **Sisters:** \$100 permit paid annually; **Harrisburg:** Same as Business License; and **Tigard:** \$100 annually.

With six tables, the annual revenue from a renewal of a commercial social gaming business would be \$1,275.00. Additional commercial social gaming businesses were a possibility. The Ontario Poker Room would like to reduce their costs for the renewal application. Social games were allowed in Oregon if authorized by local jurisdictions. ORS 167.121 allowed cities to permit social gaming and establish restrictions. The current code required a license from the city and the payment of a License Fee, Initial Application Fee, and Renewal Application Fee that was set forth by resolution.

As social gaming was required to be legislated by local jurisdictions and also has state laws that govern operation of those businesses, it did put itself in a separate category. Other businesses did not have an entire chapter of the municipal code devoted toward governing its operation. Gambling had also been identified by the Oregon Health Authority as a game prone to addiction. Gambling addiction was a mental health disorder which had negative impacts on society. With that in mind, staff believed it warranted being regulated and burdened with its own fee schedule. The level of fees set was at the discretion of the City Council.

JUSTUS moved to **TABLE ACCEPTANCE OF THE FEE SCHEDULE UNTIL THE COUNCIL HAD ALL SEVEN PRESENT.** Motion died for lack of Second.

Mayor Verini asked if there was Council consensus to accept the fees to modify the Fee Schedule to a $100 Initial Application Fee, a $25 Renewal Application Fee, and a $100 License Fee. Capron-yes; Winebarger-out; Crume-yes; Justus-no; Carter-out; Palomo-no; Verini-yes. Consensus to accept.

Resolution #2018-121: Set Policies per GASB54
Kari Ott, Finance Director, presented.

Government Accounting Standards Board (GASB) No. 54 was adopted by the city for the fiscal year ended June 30, 2011. The City Council was required to formally establish spending policies for ending fund balances annually by formal resolution. The city needed to commit the 2017-2018 ending fund balances in the Revolving Loan Fund, Capital Projects Fund, Trust Fund and Reserve Fund, for use in the 2018-2019 fiscal year. All commitments of ending fund balance were required to be approved on or before the end of the fiscal year, which was June 30, 2018. Taking no action would result in a Finding in the audit.

CRUME moved, CAPRON seconded, **THAT THE CITY COUNCIL ADOPT RESOLUTION 2018-121, A RESOLUTION ESTABLISHING POLICIES RELATED TO ENDING FUND BALANCES FOR 2017-2018 PURSUANT TO GASB 54 REQUIREMENTS.** Roll call vote: Crume-yes; Carter-out; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 4/0/3.

Resolution #2018-124: Adopt Master Fee Schedule
Adam Brown, City Manager, presented.

A Master Fee Schedule was being presented for approval in accordance with the Ontario 2018-2019 Fiscal Year Budget. City fees were periodically updated as issues arose, without consistent review and attention. Staff created a Master Fee Schedule attempting to combine all city fees into one schedule that could be reviewed annually. Giving the Council the opportunity to review all fees annually would provide for a more consistent review of each fee.

As staff reviewed the fee schedule, adjustments were made where it was determined an increase was merited based on staff's knowledge of the time and materials needed to cover the cost and impact of the service associated with the fee. It was a best practice to approve a Master Fee Schedule in conjunction with the budget which must be approved by June 30, 2018. The Council could make adjustments to the fee schedule as needed with an additional opportunity to approve it on June 19, 2018. Fees could be adjusted at any point during the year. Staff recommended that it be done with the budget so revenue changes associated with cost centers could be considered. The Council held authority to change service fees. The Council could amend the fee schedule and adopt it as amended.

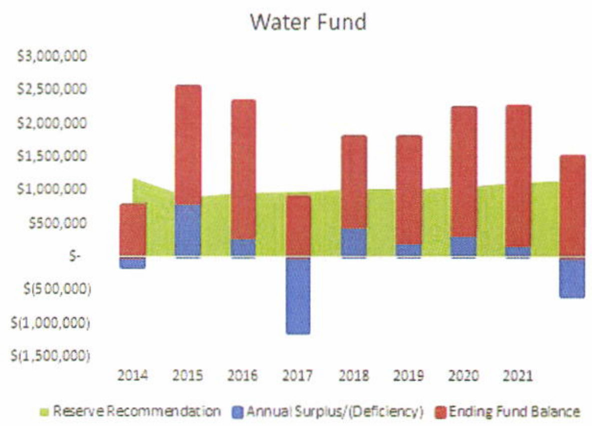
There were no members in attendance who spoke for or against this action.

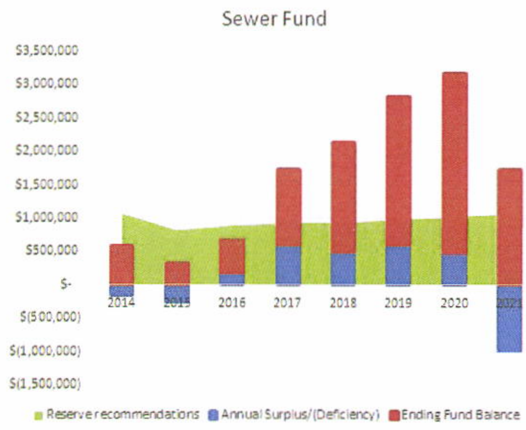
Consensus to have the City Manager do more research on fees and bring it back before Council.

Resolution #2018-125: Increase Water and Sewer Rates by CPI
Kari Ott, Finance Director, presented.

On December 5, 2016, the Council agreed to increase water and sewer rates annually based on the Portland, Oregon Consumer Price Index. The attached resolution would do so at 3.9%. The fee resolution implemented City Code Sections 8-11-22 and 8-9-2 which allowed the Council to set by resolution the water service rates for monthly water service and the sewer service rates for monthly sewer service to be charged by the city. The change from December 2016 to December 2017 consumer price index was 3.9%. This increase would keep the water and sewer funds stable while accumulating more than the reserve recommendation.

The following graphs showed the historical and projected ending fund balance, current year activity and recommended reserve:





The increase in the water and sewer fees provided a basis for keeping up with normal inflation. Fees could take effect at the discretion of the Council. Staff recommended that they be put into effect immediately. 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."* If the Council opted to take no action, the water and sewer funds would not keep up with inflation.

There were no members in attendance who spoke for or against this action.

CRUME moved, CAPRON seconded, **THAT THE CITY COUNCIL APPROVE RESOLUTION 2018-125: A RESOLUTION INCREASING WATER AND SEWER SERVICE FEES AND CHARGES BY 2017 CONSUMER PRICE INDEX.** Roll call vote: Crume-yes; Carter-out; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 4/0/3.

Water Main Installation
Betsy Roberts, City Engineer, presented.

The water main would be installed on NW 4th Avenue and would include a new fire hydrant and a water service line to the property line of the property at 2601 NW 4th Avenue. Three contractors were contacted to get bids for the project. The bidders included Warrington Construction, Anderson Excavating LLC., and McMillen. Warrington Construction and Anderson Excavating LLC., bid on the project. McMillen was listed as "no bid" because they could not complete the work until fall of 2018.

Recently, 2601 NW 4th Avenue experienced septic system issues. Until recently, it was not included within the City of Ontario city limits. The homeowners contacted the city regarding connection to the city's sanitary sewer system, which was available near the eastern edge of their property. Connection to the city's sanitary sewer system required annexation into the city limits. During the March 20, 2018, Council Meeting, the Council concluded that, given the impact of the upcoming National Pollutant Discharge Elimination System (NPDES) permit for the Wastewater Treatment Plant (WWTP), property owners connecting to the city's sanitary sewer system must also connect to the city's water system. There was no waterline to support the current water needs at 2601 NW 4th Avenue. The owner agreed to be annexed into the city, and to finance the construction of the sanitary sewer line, including a stub out connection to the right of way line for the property on the south side of NW 4th Avenue in addition to their own service. Because the owner was willing to cover the cost of the whole sanitary sewer line, the city agreed to cover the cost of the waterline and the city be reimbursed for the proportionate costs of these lines from the adjacent property owner as allowed by city code.

This home was in the northwest region of downtown Ontario. The proposed project included extension of an 8-inch city water main, a fire hydrant, and taps for both the homeowner and the property on the south side of NW 4th Avenue. Installing the main would give the homeowner access to the city water system. The new water main extension would be approximately 250 feet long. All of the bids for the project had been received and the lowest bidder was Dave Anderson, of Anderson Excavating LLC, with a bid of $21,863.75.

There was funding available in the Water Fund to cover the costs of this project. Line Item: 105-160-719283. Work would be conducted when the Council approved the cost and accepted the low bid. Once passed, the contractor would be notified to discuss the construction schedule. The sanitary sewer had already been constructed and a Deferred Improvement Agreement (DIA) was recorded documenting the agreement. Reimbursement of these lines was allowed under city code.

The alternative would be to do nothing and not fund the water main project. If the city did not fund the project, then, according to the DIA, the city would waive the owner's requirement to be connected to city water at this time, and would be liable for construction of the water line at a later date with no costs associated to the property owner at 2601 NW 4th Avenue other than normal water meter connection costs.

CAPRON moved, PALOMO seconded, **THAT THE CITY COUNCIL APPROVE THE PROPOSED INSTALLATION OF THE NEW WATER MAIN FOR THE HOME AT 2601 NW 4TH AVENUE FOR THE LOW BID COST OF $21,863.75 FROM ANDERSON EXCAVATING, LLC.** Roll call vote: Crume-yes; Carter-out; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 4/0/3.

Housing Incentive Program – Agile Homes

Dan Cummings, Community Development Director, presented.

The Business Loan Committee was the reviewing and recommending authority for the City of Ontario Business Loan Fund and, as such, the Committee was tasked with reviewing and providing a recommendation to the City Council on all applications submitted for loan requests and Housing Incentive payments. The City Council was the final authority for approval of the applications. The City Manager and Community Development Director were responsible for insuring all requirements were meet prior to payment of the approved application. The City Council, under Resolution Number 2018-111, updated the City of Ontario Business Loan Fund codes under Section 11a Housing Incentive Program to promote new housing development within the city limits of Ontario. This application was the first application under the new Housing Incentive Program.

Agile Design Co, DBA Agile Homes, was requesting approval of their application for the $10,000.00 Incentive on a new home to be located at 621 Reiter Drive, Lot 3, of Sage Ridge Place Subdivision. The proposed dwelling would be 1,546 square feet with two (2) bathrooms and a 504 square foot, two (2) car garage. The application was deemed complete by the Community Development Director and was deemed to meet or exceed the minimum requirements of Section 11 of the Business Loan Fund code. The application was then forwarded to the Business Loan Fund Committee for their review and recommendation. The BLF Committee met on May 14, 2018, to review the application, and moved to forward a recommendation for approval to the City Council for the Agile Design Co, DBA Agile Homes, application for $10,000.00

If approved, the city would pay the funds from the Business Loan Fund. The $10,000.00 would be paid back to the fund through the city portion of the property taxes collected on the property and dwelling approved under this application. Time was of the essence on this application as the applicant wanted to pull a building permit and start construction as soon as they received approval. The Business Loan Fund Committee made recommendations to the City Council. If the City Council approved the action, the City Manager would have the Agreement signed by all parties authorizing the Building Department to issue a permit under this Agreement.

PALOMO moved, CAPRON seconded, **THAT THE CITY COUNCIL APPROVE OF THE APPLICATION OF AGILE DESIGN CO, DBA AGILE HOMES FOR THE ONTARIO HOUSING INCENTIVE PROGRAM IN THE AMOUNT OF $10,000.00.** Roll call vote: Crume-yes; Carter-out; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 4/0/3.

Ontario Water Treatment Plant Baffle Wall Design
Betsy Roberts, City Engineer, presented.

The City of Ontario WTP flocculation basins were constructed in the early 1980's. The current condition of the redwood baffle walls and observed performance of the flocculation basins by staff identified the need to upgrade or replace the wooden baffle walls and the flocculation mechanism wooden paddles. The baffle wall design task order was part of the approved Ontario Water Treatment Plant project for the current fiscal year. This task order was for the design aspect of the baffle walls. The design would encompass assessing the baffle walls and creating a plan for upgrading or replacing them. The design would take place during the spring and summer of 2018. Project construction funds were approved as part of the current fiscal year budget as well, and were being carried over into the coming fiscal year. Construction needed to occur when water demand was low (fall or winter).

The baffle wall task order was part of the already approved Water Treatment Plant project which had a budget of $175,000 for design and construction. Design and construction of this task order would occur from spring through late fall or early winter. The budget would span from this fiscal year and had been identified to be carried over into the 2019 fiscal year. There were funds available in the Water Fund to cover the cost of designing the baffle walls. Line Item: 105-160-719215. The actual construction would not occur until fall when the water demand decreased. It was essential to start the design in spring so as to not delay construction.

The Council could decide to reject this task order of design and construction of the baffle walls and keep the existing baffle walls. However, this would not be advised as the existing baffles were outdated and had surpassed their design life.

CRUME moved, CAPRON seconded, **THAT THE CITY COUNCIL APPROVE THE CH2M/ JACOBS ONTARIO WATER TREATMENT PLANT FLOCCULATION BASIN BAFFLE WALL DESIGN TASK ORDER FOR THE FEE OF $22,200.** Roll call vote: Crume-yes; Carter-out; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 4/0/3.

PUBLIC HEARING(S)

Resolution #2018-122: Declare City's Intent to Receive State Revenues
It being the date advertised for public hearing on the matter of Resolution #2018-122, 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.

Kari Ott, Finance Director, presented.

The City Council was required to annually approve a formal resolution in order to elect to receive state revenues. The City of Ontario Budget Committee held public hearings on April 24th, 26th, 26th, and May 8, 2018, discussing the 2018-2019 budget which contained revenue sharing from the State of Oregon. The City Council held a public hearing on June 7, 2018, giving the citizens an opportunity to comment on the use of State Revenue Sharing, pursuant to ORS 221.770.

The City will be able to share in State Revenues that are shared with cities throughout Oregon. The resolution was required, and had to be approved on or before June 30, 2018. An election to receive state revenues was required per ORS 221.770. If the Council took no action, the city would be ineligible to receive state revenues in the 2018-2019 fiscal year.

The Hearing was opened for public testimony.

Opponents: None.
Proponents: None.

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

CRUME moved, PALOMO seconded, **THAT THE CITY COUNCIL ADOPT RESOLUTION 2018-122, A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES FOR THE FISCAL YEAR 2018-2019.** Roll call vote: Crume-yes; Carter-out; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 4/0/3.

Resolution #2018-123: Adopt City of Ontario's Annual 2018-2019 Budget
It being the date advertised for public hearing on the matter of Resolution #2018-123, 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.
Adam Brown, City Manager, presented.

Resolution 2018-123 was a resolution to adopt and appropriate the 2018-19 annual City of Ontario budget; to impose taxes upon taxable property; and to categorize taxes imposed for Fiscal Year 2018-2019. The City of Ontario Budget Committee held public hearings on April 24th, 25th, 26th, and May 8, 2018, and approved the 2018-2019 annual budget. The City Council held a public hearing on June 7, 2018 giving the citizens an opportunity to comment on the annual budget for 2018-2019.

The City Council would adopt and appropriate the annual budget in the amount of $29,352,605; the budget also included $1,959,084 of unappropriated ending balance. The resolution was required to be approved on or before June 30, 2018. A budget was required to be approved per ORS 294. If the Council took no action, the city would not be able to spend money as of July 1, 2018.

The Hearing was opened for public testimony.

Opponents: None.
Proponents: None.

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

CAPRON moved, CRUME seconded, **THAT THE CITY COUNCIL ADOPT RESOLUTION 2018-123, A RESOLUTION TO ADOPT AND APPROPRIATE THE ANNUAL BUDGET FOR 2018-2019, IMPOSE THE TAXES UPON TAXABLE PROPERTY, AND CATEGORIZE THE TAXES IMPOSED, WITH AMENDMENTS FOR REMOVING $10K FROM THE REVOLVING LOAN FUND, REINSTATING ONE POLICE OFFICER AT $109,591, REINSTATE ONE CODE ENFORCEMENT OFFICER AT $102,454, ADJUST CONTINGENCY TO $202,076, FOR THE FISCAL YEAR 2018-2019.** Roll call vote: Crume-yes; Carter-out; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 4/0/3.

DEPARTMENT HEAD UPDATES

Financial: Monthly Report April, 2018
Kari Ott, Finance Director, presented. (Report attached)

Recreation: Quarterly Report
Debbie Jeffries, Recreation Manager, presented. (Report attached)

HAND-OUTS/DISCUSSION ITEMS

Marijuana Taxation Ballot Initiative
Mr. Brown stated he was seeking consensus to create a ballot measure that would tax marijuana if approved in November. Consensus given.

CH2M/Jacobs Contract
Mr. Brown stated the CH2 contract was up for renewal. CH2 had proposed a savings in cost for a longer contract. The current increase percentage was 2.9%. If the city entered into a contract for a 5-year period, the percentage would decrease to 1.5%, for a savings of $184K; for a 10-year contract, it would decrease to 1%, for a seavings of $210K.

Consensus to bring it back before Council for the 10-year, but to provide numbers for the 5-year, too.

Agendas: (Attached)
SREDA 06-06-2018

Minutes: (Attached)
Malheur County Court - Budget 04-24-2018, 04-25-2018
Malheur County Court 04-18-2018, 05-02-2018, 05-09-2018, 05-16-2018
Public Works Committee 04-12-2018
Façade Grant Committee 05-23-2018
SREDA 05-02-2018

Department Stats: (Attached)
Ontario Fire & Rescue 05/2018
Public Works 05/2018
Ontario Police 04/2018
Code Enforcement 04/2018

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

Councilor Capron asked that the Council be kept informed on how the hiring process was affected by the new requirement for city employees to live within the 8C school district boundaries.

Councilor Crume asked about a payback to the General Fund for the PERS payments made for previous Public Works employees.

Mr. Brown stated he would be researching that.

Councilor Palomo thanked Code Enforcement for enforcing clean-up of areas around the East side of town.

Mr. Brown stated the Diversity Advisory Committee would kick-off next Tuesday. The Marijuana Ad-Hoc Committee would see June 25th as their first meeting.

Mr. Cummings reminded everyone of the Buckaroo Supper at the Fairgrounds that evening.

EXECUTIVE SESSION(S)

Executive Session: ORS 192.660(2)(h)
An executive session was called at 4:04 p.m. under provisions of ORS 192.660(1)(h) to discuss current, potential, or pending litigation. The Council convened into a second Executive Session at 4:42 p.m.

Executive Session: ORS 192.660(2)(f)
An executive session was called at 4:32 p.m. under provisions of ORS 192.660(1)(f) to consider information or records that are exempt from disclosure by law, including written advice from legal counsel. The Council reconvened into regular session at 5:04 p.m.

ADJOURN

CRUME moved, PALOMO seconded, **THAT THE MEETING BE ADJOURNED**. Roll call vote: Crume-yes; Carter-out; Palomo-yes; Justus-out; Capron-yes; Winebarger-out; Verini-yes. Motion carried 4/0/3.

ACCEPTED:

Ronald Verini, Mayor

ATTEST

Tori Barnett, MMC, City Recorder