



CITY COUNCIL WORK SESSION MINUTES June 6, 2019

The scheduled Work Session of the Ontario City Council was called to order by Council President Dan Capron at 12:00 p.m. on Thursday, June 6, 2019, in the Council Chambers of City Hall. Council members present were Norm Crume, Dan Capron, Ramon Palomo, Michael Braden, Marty Justus, and Freddy Rodriguez. Mayor Riley Hill was excused.

Members of staff present were Adam Brown, Tori Barnett, Larry Sullivan, Dan Cummings, Cliff Leeper, Jason Cooper, Peter Hall, Steven Romero, and Allen Montgomery.

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

Councilor Capron led everyone in the Pledge of Allegiance.

AGENDA

This Agenda was posted on June 4, 2019. Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website www.ontariooregon.org.

Request to remove item 5(B) Four Rivers Cultural Center Annual Presentation; and add 8(C) HB2020 to the Agenda.

CRUME moved, BRADEN seconded, **TO ADOPT THE AGENDA AS AMENDED**. Roll call vote: Braden-yes; Justus-yes; Palomo-yes; Crume-yes; Rodriguez-yes; Capron-yes; Hill-out. Motion carried 6/0/1.

PRESENTATIONS

Census Bureau Presentation (Hand-out attached)

Lynn Gross, Eastern Oregon Partner Specialist, presented.

OLD BUSINESS

SRCI Water Services Contract Extension

Adam Brown, City Manager, presented.

CRUME moved, BRADEN seconded, **THAT THE CITY COUNCIL APPROVE A THREE MONTH EXTENSION TO THE WATER SERVICES AGREEMENT BETWEEN THE STATE OF OREGON AND THE CITY OF ONTARIO**. Roll call vote: Braden-yes; Justus-no; Palomo-yes; Crume-yes; Rodriguez-yes; Capron-yes; Hill-out. Motion carried 5/1/1.

NEW BUSINESS

Liquor License Application: The Playground, LLC

Jason Cooper, Interim Police Chief, presented.

CRUME moved, BRADEN seconded, **THAT THE CITY COUNCIL APPROVE THE NEW OUTLET, FULL-ON PREMISES FOR PROFIT PRIVATE CLUB LIQUOR LICENSE APPLICATION FOR THE PLAYGROUND, LLC**. Roll call vote: Braden-yes; Justus-no; Palomo-yes; Crume-yes; Rodriguez-yes; Capron-yes; Hill-out. Motion carried 5/1/1.

Infrastructure Investments List Needed for Economic Development

Adam Brown, City Manager, presented.

CRUME moved, JUSTUS seconded, **THAT THE CITY COUNCIL DIRECT STAFF TO COMPLETE THE CAPITAL PROJECT PRIORITIES AS AMENDED AND SUBMIT THE NEEDS TO BE INCLUDED IN THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.** Roll call vote: Braden-yes; Justus-yes; Palomo-yes; Crume-yes; Rodriguez-yes; Capron-yes; Hill-out. Motion carried 6/0/1.

ESD Marijuana Buffer

Adam Brown, City Manager, presented.

Councilor Marty Justus read a statement into the record: *This issue is not about blaming a city department that is overworked and understaffed for moving forward for the issuing of a permit for a conditional use permit for a marijuana dispensary for a location that our ordinance clearly has buffered out. This issue is not about calling out the Mayor because a company that he has a stake in for making application for a permit for a property that is clearly buffered out by the marijuana ordinance, even though he has taken a very public stance against marijuana dispensaries and their legalization and including their location within the city limits of Ontario. This issue is about our city administrator, the city attorney, and the Mayor all knowing that an application for dispensary was made knowing that there was a direct conflict with the existing ordinance and not bringing it to the City Council's attention. It is my understanding that it seems our attorney was made aware not once, but twice that our marijuana ordinance may have been enacted with an unenforceable clause concerning the ESD and its 1000-foot buffer. This knowledge that was clearly passed on to our City Manager and City Planner no one thought it important that the Council be made aware of this flaw. Instead, it was decided that the permit should be issued without correcting the ordinance. In my opinion, issuing any kind of permit that conflicts with existing ordinances is detrimental not only to the enforcement of the entire ordinance, but sets a standard the puts the enforcement of all of our ordinance in jeopardy. The standard that would have been set if this permit was issued with Council's knowledge that our ordinance was and is flawed would clearly say to our citizens, "it is not about what you know, but who you know". If you are not connected, you can forget about being treated equally at City Hall. If transparency is our goal, the only choice before us is to modify the existing ordinance to either include the buffer for the ESD as intended when the ordinance was approved, or remove it. This will ensure the public is aware of this Council's intent. Thank you.*

Councilor Rodriguez asked if Councilor Justus did, or did not, have a stake, monetarily, in this industry through real estate or whatever, taking care of accounts, did he have a stake in this? If he remembered, Councilor Justus had abstained from votes in this similar market. Did he have a stake or not?

Councilor Justus stated he was not there to answer Councilor Rodriguez's questions.

Councilor Rodriguez stated that was fine, he didn't need an answer.

Councilor Crume stated he had been sitting there for over 10 years, dealing with personalities, mistakes, issues, problems that had occurred, and 99% of the time, it was their job to fix those mistakes and move on. Statements originally made were unfounded and untrue and disrespectful to everyone sitting there because when ESD was put into the position, not one of them in the entire room realized there was even a school there. They were close to getting the land use issues taken care of, and he recalled that John Kirby made a comment that there was a school out there. That's when staff verified there was a school located there. He chose to believe that not one Councilor knew that it was anything different than some type of special education school that didn't qualify in K-12, until lawyers brought to their attention a month ago. No one had maliciously done anything to cut in front of someone else, or make any extra profits. It was something that happened, and it was time to move on.

Housing Incentive Program - Musil

Kari Ott, Finance Director, presented.

CRUME moved, PALOMO seconded, **THAT THE CITY COUNCIL APPROVE THE APPLICATION BY BRENDA AND ROBERT MUSIL FOR THE ONTARIO HOUSING INCENTIVE PROGRAM IN THE AMOUNT OF \$10,000.** Roll call vote: Braden-yes; Justus-yes; Palomo-yes; Crume-yes; Rodriguez-yes; Capron-yes; Hill-out. Motion carried 6/0/1.



Resolution #2019-121: Master Fee Schedule

Kari Ott, Finance Director, presented.

CRUME moved, RODRIGUEZ seconded, **THAT THE CITY COUNCIL APPROVE RESOLUTION #2019-121, A RESOLUTION ESTABLISHING A MASTER FEE SCHEDULE FOR THE 2019-2020 FISCAL YEAR.** Roll call vote: Braden-yes; Justus-yes; Palomo-yes; Crume-yes; Rodriguez-yes; Capron-yes; Hill-out. Motion carried 6/0/1.

Resolution #2019-122: Water & Sewer Rate Increase

Kari Ott, Finance Director, presented.

CRUME moved, BRADEN seconded, **THAT THE CITY COUNCIL APPROVE RESOLUTION #2019-122, A RESOLUTION INCREASING WATER AND SEWER SERVICE FEES AND CHARGES BY THE 2018 CONSUMER PRICE INDEX.** Roll call vote: Braden-yes; Justus-yes; Palomo-yes; Crume-yes; Rodriguez-yes; Capron-yes; Hill-out. Motion carried 6/0/1.

HAND-OUTS/DISCUSSION ITEMS**Housing Incentive Program**

Adam Brown, City Manager, presented.

At the Councilor's request, this was being brought back with answers to some questions. The Housing Incentive Program was created last December. They started out at 1600 square feet, and it had been revised twice, and now allowed homes at 1350 square feet with an attached two-car garage and two bathrooms. A question had been raised as to whether manufactured homes or trailers could be in the city. Trailers could be in the city in a trailer court, so it was a zoning issue. Outside of that, they were not allowed. He had been asked to research if manufactured homes could use the Housing Incentive Program, and found they could remove the 1600 square feet requirement, which would make all homes have to have the two bathrooms and a two-car garage. He was seeking a legal opinion on whether they could require that the home be constructed on site, with the exclusion of engineered trusses. He was now seeking comments from the Council.

Overall, the two amendments they had arrived at were first, to remove the 1600 square foot requirement and require that all the homes have a two-car attached garage and two bathrooms, and second, that it be built on-site, except for the trusses.

Councilor Crume asked for the legal definition of a manufactured home on a foundation?

Larry Sullivan, City Attorney, stated he had not been presented with that for research, so he had not had the opportunity to do that. His initial thought was that since it was an incentive program, it would not prevent anyone from doing anything other than applying for an incentive that was discretionary. There might not be any restrictions on that, but he really needed to research the state laws on the issue.

Dan Cummings, Community Development Director, stated when the city tried to eliminate and not allow manufactured homes outside of a manufactured home park, the state stepped in and said there could not be any discrimination against manufactured homes. However, the city could put regulations on those homes. The city added building code regulations that any manufactured home outside of a manufactured home park or subdivision, had to be a double-wide unit, set on a foundation, not have bare, metal siding, and have a pitched roof. A private owner, when developing a subdivision, can put restrictions on it because it was private property. That developer could disallow manufactured homes in that subdivision; however, the city, the county, nor the state could, as it would be in violation of building and zoning codes. Mr. Sullivan could be correct in that it's an incentive program through the city, that might be possible, but that could open the city up to a lawsuit.

Councilor Crume stated they, as a Council, needed to determine what their intent was at the time, or what were they trying to get from that. Regarding the garage issue, he believed the intent was they were trying to draw middle-income people or families to Ontario. He questioned why the Council would demand the addition of a garage? Some people might not want one. The larger homes, like the 2400 square foot home, were obviously

attracting people to build a new home in Ontario. For the smaller homes, he believed it was to get the dollar value in an area where they were trying to attract middle income.

Councilor Justus asked if they were going to say to use an ordinance until an attorney challenged it. Why would the city amend another ordinance that could be challenged? The Council just said it was okay to override the ordinance already written. The *intent* of the marijuana ordinance was clear. The *intent* of the housing incentive was clear. Were they going to be consistent with the way they handled each ordinance, or not? If using the incentive program for a manufactured home provided an affordable housing option for a family, it should be done. A two-car garage should be a standard for every home because it added value and curb appeal, not to cut-out a section of the community. There was currently a housing shortage in Ontario. In his opinion, they didn't need to amend anything in the current ordinance.

Councilor Crume stated adding the requirement of a garage was putting an extra burden on someone that was already building a middle-income home, who might not need a garage. Leave the ordinance as it was written.

Councilor Justus asked for verification on what the code called for regarding manufactured homes. They had to be double-wide and on a concrete foundation, everywhere in the city?

Mr. Cummings stated yes, except for those in manufactured home parks.

Councilor Justus stated the Mayor's subdivision on Claude, was that a manufactured home park?

Mr. Cummings stated it was a manufactured home subdivision, and both were allowed in manufactured home subdivisions. Anything zoned manufactured could allow both single and double wides. For a park, you could rent spaces; for a subdivision, you could own the lot.

Councilor Capron stated his preference for the two-car garage.

Councilor Rodriguez stated it appeared someone could spend the amount of the incentive on adding a garage. It appeared the Council was choosing to be proactive, when they were reactive in a different situation.

Financial Report (Hand-Out)

Kari Ott, Finance Director, presented.

HB2020 Letter

Adam Brown, City Manager, presented.

Everyone had been following the Cap and Trade Carbon Bill, House Bill 2020, and everyone was aware of the devastated impacts that could have on this community. They were currently in the last month of the Session, but Mayor Hill spoke with Senator Bentz about it, who said a letter couldn't hurt. The idea was that the city would attempt to trade themselves. For example, instead of being included in the Cap and Trade Bill, Ontario would give up something, and the Mayor's idea was to focus on plastics, such as bags and straws. The other two Councilors who participated in the Agenda prep meeting, thought it was worth bringing to the full Council. Staff drafted a letter, (handed out) and it was a proposal to get out of the Cap and Trade program by going another green-friendly route.

Councilor Justus wanted to add that the city would also ban Styrofoam containers and cups and use greener containers and recyclable containers. That should be considered for implementation, regardless.

Councilor Palomo voiced his agreement, and would like to see the city move in that direction.

Councilor Rodriguez stated it was a great idea, and would let us compete with Western Oregon. Adding the elimination of Styrofoam products to the proposal would give more negotiating power.

Councilor Braden stated the sentence “while the carbon tax proposed in the state legislature may be the right move for some in Oregon, it’s not the right move for us”. Now, the city was making a concession to them, saying we’d like to propose something more sustainable, instead of holding a hard line of “we don’t like this, this is bad for us”. To him, this felt like a soft letter. The concessioners were not necessary. This was the first time that he had been proposed with the idea of banning some of these consumer goods, such as plastic bags, straws, and Styrofoam. It was a good discussion to have. He could be in favor of some of it. Right now, he was not, and he did not think throwing it in the letter was the right place to address those issues.

Councilor Justus stated the point of the letter, and he doubted they would even consider it, but the point was in making an appeal to the Governor. Everybody knew what this would do to the economy. They had to do something. This letter was just one more time asking them to look at us, and to please understand the dilemma we’re in. He understood Councilor Braden’s feelings, but hard-balling wasn’t working either.

Councilor Braden asked why we’d throw a concession to them. He didn’t see a need.

Councilor Rodriguez stated they weren’t asking us to, so the city wasn’t conceding to anything.

Councilor Braden stated the arguments he was hearing were making this a concession, saying we would go greener like your side of the state, so we’ll throw you these bones.

Councilor Rodriguez stated it would be more like setting an example.

Mr. Brown stated a letter in opposition to the Bill had already been sent. The idea was to let them know we weren’t just opposed to everything, but were in favor of something that was along a similar agenda. The letter before them stated the Plan was bad for our area, but we were willing to concede something that was on a similar agenda path.

Consensus for moving forward with the letter: NC-yes, but add in the Styrofoam; FR-yes, with Styrofoam; MJ-yes, add in Styrofoam; MB-No; RP-yes; DC-yes, with Styrofoam.

Department Stats (Attached)

Fire & Rescue: May, 2019

Public Works: May, 2019

Police: Apr, 2019

Code Enforcement: Apr, 2019

Packet/Minutes (Attached)

V&C Board: Jun 6, 2019, AND Minutes of 03-07-2019 in Packet

Agenda (Attached)

SREDA 06-04-2019

Minutes (Attached)

Planning Commission 02-11-2019

County Court 02-27-2019; 05-01-2019; 05-08-2019; 05-15-2019; 05-22-2019

County Court (Budget) 04-23-2019; 04-24-2019

SREDA 05-07-2019

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

Councilor Crume stated has proud that the city finally had a new attraction. The gratification of all the families and kids at the opening of the Splash Park, was overwhelming.

Councilor Rodriguez stated his agreement. It was special to see the joy come out in those kids who had been waiting so long for this to open.



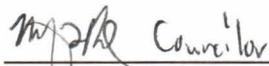
Adam Brown stated he had attended the Board Board meeting last Monday, and they approved some of their grant and loan programs. One was the housing incentive program that was built somewhat on Ontario's model, but expanded. They went into the meeting with a proposed \$2,500 cash to the buyer, and a 10-year, 50% property tax abatement. He wasn't positive on the numbers, but there was a property tax abatement piece. That gave you cash walking in the door, but also lowered property taxes for a fixed period of time. The discussion let to increasing the cash payout to buyer to \$6,000. It had to be bought into by the other taxing jurisdictions – the Road District, the County, School District, etc. – but the city might want to consider if we needed to change ours and look at the payback with that, but with the other taxing districts, that certainly helped with the payback with that additional incentive.

Councilor Capron stated he had met the new Police Chief, and he was very impressed. The City Manager did a great job on the hiring. He would be a great fit for the community.

ADJOURN

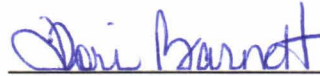
CRUME moved, PALOMO seconded, **THAT THE MEETING BE ADJOURNED.** Unanimous voice agreement.

ACCEPTED:

 Councilor

Michael Braden, City Councilor

ATTEST



Tori Barnett, MMC, City Recorder