



CITY COUNCIL MEETING MINUTES October 26, 2021

The scheduled meeting of the Ontario City Council was called to order by Mayor Riley Hill at 6:00 p.m. on Tuesday, October 26, 2021, in the Council Chambers of City Hall. Council members present in person or by call-in were Riley Hill, Sam Baker, John Kirby, Ken Hart, Michael Braden, and Susann Mills. Eddie Melendrez was excused.

Members of staff present in person or by call-in were Adam Brown, Tori Barnett, Terry Leighton, Steven Romero, Kari Ott, Larry Sullivan, Al Cablay, Paul Woods, Casey Mordhorst, and Marc Berg. Larry Sullivan departed the meeting at 6.56 p.m.

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

Mayor Hill led everyone in the Pledge of Allegiance.

AGENDA

This Agenda was posted on October 22, 2021. Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website www.ontariooregon.org.

Mayor Hill stated there were two additions to the Agenda. First, the settlement of the Stipe action; Second, adding 8C – Connect Oregon Endorsement Letter. Also

KIRBY moved, BAKER seconded, **TO ADOPT THE AGENDA AS AMENDED**. Roll call vote: Mills-yes; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 6/0/1.

PUBLIC COMMENT

Michael Miller, Ontario: *Thank you Mr. Mayor and Council people. For full disclosure, I'm also on the Parks Advisory Council and we've been making some real progress. We're fresh to the game. My first meeting was in January; a lot has come across our desk over the eight months, ten months now about parks, and the plans that we're putting together for improving the parks, along with our facilitator Jacobs, who takes care of most of the city facilities. We're getting along well with that. My main concern now is Moore Park, and I see it's on the purchase land swap with the Looks Nu Car Wash. As a citizen, I have an opinion, and I also have opinion, as an advisor, so I hope you'll allow me to express it in both voices. We've been looking at Moore Park as the Advisory Council, we've had a couple of meetings down there and been working with Jacobs to put in the new gazebo and those improvements. Along with that, the city's working with a company in Boise called Trademark for a downtown renovation. I'm not sure the timing on when Moore Park was conceived and then moving ahead with the purchase and the demolition that's supposed to be associated with that. The demolition is my concern, as an advisor, and I've been in the landscape/urban design business for a long time, about 50 years doing different things in those areas, and when I moved back to Ontario, I got involved in some things with Four Rivers Cultural Center. I'm only telling you this because you need to know where my vision's coming from. The park is a very nice space. It's the home of the old Moore Hotel that fell to fire. What's left in that larger space is the old, I think it was a Shell Station build by the Widmer family in 1954. This is what, and I'm looking at the building and the park, and I'm looking at the things that the most valuable. This facility is built out of concrete and cinder block with some wood siding, and it's set for demolition according to this land swap with Looks Nu Car Wash. I grew up in Ontario, and when I see this building, my father grew up in Ontario, so when I see this building, it's not only an old service station, it was very popular, it was one of the hot spots in Ontario as far as traffic*



and citizen use and the bus depot was across the street, but of course, the hotel. In 1954, Ontario was thriving. Everyone was doing pretty well. The Japanese had assimilated here very nicely and very comfortably. This service station was built mid-century, and I would call this mid-century architecture. That has some value in itself historically. Culturally, it's a piece of the community and has been since 1954. The value of the building, I don't know what the city settled on for the agreement, but as it sits, well, I won't even guess an amount, but to rebuild that would be, if it was a gas station, you know, a couple million dollars probably. As it sits, and it's been, and the tanks have all been taken out, so it's very clean, it's very solid, and I think it has more value than taking it off of there and creating a park with lawn and a few trees. It has greater value historically, architecturally, and the potential for a source of income as a visitor center. It's got restrooms, it's available, and it's solid. There would, of course, be some upkeep and renovations that needed to be done inside, but the building is solid, it has historical value. Our John Kirby and our fathers built this. This is part of the statement of our forefathers in this community. They all built this structure through the backs, through the labor, the materials, the craftsmanship, everything. This represents part of Ontario's history. I think it has great value in that way. Well, I think that kind of covers it. You know, this, I would consider the value of what's in the park now. They've got the gazebo put in there, which is very nice, and eventually that will fit in very comfortably, but is the gazebo more valuable than this structure? I think not. There'll be some, you know, negotiations are still on the table, I guess, but I would hope the Council would reconsider the demolition of this piece of Ontario's history. Even the parks, the planning manual that we get for the parks, they emphasize history and architecture that's valuable within the city. I think that is a case in point for this building and the history around it. Reconsider, please, I'd like to see it standing and be made of great use. It's not a liability in my eyes, it's an asset to this park system, can be in the downtown area, so please reconsider.

Bob Boyd, Ontario, read a statement into the record: Thank you for allowing me to speak on behalf of the Ontario Recreation District. As you are well aware, the ORD is committed to bringing a pool back to Ontario. With the funds set aside by the district, assistance from the city, along with future fundraising, the pool is becoming a reality. Plans are to have the pool completed by the end of the summer of 2023, with the possibility of sometime sooner. Surveys showed that according to the community, building a new pool was seen as a top priority in enhancing our town. The return of the pool will provide great benefits to our community that have been lacking since 2014. However, it is the maintaining of such a pool and the challenges it creates that bring me here tonight. The main reason the previous pool was closed was due not to the cost of constructing it, as to the cost of maintaining it. It does not make sense to go to great lengths to build a pool if there is the danger of its closure soon afterward. With this in mind, I'm here representing a proposal that with your support would go a long way in ensuring the pool would operate for many years to come. An increase of 1% in the TOT tax would help accomplish this without increasing any taxes within our district or require extra funding from the city. This TOT proposal would also include the County Fairgrounds, which would also receive yearly help in its operation. In closing, the proposal presented to you with support of the Council and residents of the city, will provide a safety net for both the operating of a future pool and the existing fairgrounds at no cost to the city or the taxpayer. With your approval, we would like to make this proposal a reality. Thank you.

PUBLIC HEARING

Resolution #2021-135: A Resolution of the Ontario City Council Declaring Certain Real Property, Being Lots 14 & 15 and the North 12 Feet of Lot 16 of Block 21 of the Original Townsite of Ontario as Surplus Land and No Longer Needed for Public Use and Approving the Sale of Said Real Property

It being the date advertised for public hearing on the matter stated above, 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.

The Hearing was opened for public testimony. Proponents: None.

Linda Henderson, Ontario, stated: I don't know if I'm an opponent so much, as just a member of the public and a vendor at the market. Thank you very much, Mr. Hill, for making this possible for us. So, I'm trying to understand



what's happening here. I would also like to thank the city for the continued presence of the portable toilet you provide for us every week. Do I understand correctly that the property that is known as Moore Park is owned by you, Mr. Hill?

Mayor Hill stated that was correct.

Ms. Henderson: Okay, so I guess I would like to somebody to speak to the overall picture of the park as a city entity that's half privately owned, and half publicly owned and what the future picture is. I apologize for coming in kind of late, because it sounds as if this has been discussed for a while.

Mayor Hill stated this was a time for comments and would not be answering all her questions. Currently, the city had a lease for 11 months a year for \$1 a year. He had been offered \$165K for it about three years ago. He chose not to sell because he wanted the city to have a park down there, and he wanted the Farmer's Market to continue. The reason for the 11 months a year was because he wanted to allow the churches to have services there during the Christmas season. If it was owned by the city, that wouldn't be possible.

Ms. Henderson: Okay, which is very nice of you. Is it likely that most of my questions are going to be answered in the course of this public presentation?

Mayor Hill stated he did not know but asked her to still state her comments.

Ms. Henderson: Well the last couple of years have been challenging because we've had to rearrange our spacing for pandemics and construction and when I hear that there's more change in the works, I get a little concerned and so I'm, I don't really know how to comment yay or nay on this because I don't understand all of the parts that are involved and what the grand picture is, as well, so, I guess, maybe, what I should say is just that we really appreciate having the park available for the Saturday Market, and hope that it continues to be available to us for that, and that we work out a way that we can get the parking fixed. Okay, thanks!

Opponents:

Michael Miller, Ontario, stated: *I have, my concerns are the kind of nebulous nature of this contract, given the fact that the Mayor owns half of the park, and the city will own the other half. I don't know what your intentions are for the future, or what safeguards that park will have for the future. But I'm still hanging on to the station being not demolished and that's part of this conversation, I believe. I hope we come to an agreement on it somehow. Even if the building itself, which is sound, had to come down, maybe you would leave some of the artifacts like the canopies over what used to be the pumps, and there's a very sturdy side on the north side of the property there that you could use to advertise for the park and different things. There's the guarantee for that park to be part of the city park is still up in the air as far as I'm concerned. I've not seen the written agreements about that. As far as the Christmas ceremony goes, even if the city owned it, they could do secular celebrations there, and not just Christmas, but the Buddhists could use their facility for that, the Obon Festival, there are many things that the whole community could use, just beyond the Christian community. So that's my, I think that's enough there. Thank you.*

Councilor Mills stated that Mr. Miller hit on what she was going to ask. The Mayor had been offered to sell the property at one time, so she wasn't sure of the future of the land he owned, the park, versus if at some point in the future, it was sold, where did that leave the property that was coming into the park and the functions there. She wasn't clear on what the plans were for the property the city would own. She had concerns.

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

HART moved, BAKER seconded, THAT THE CITY COUNCIL APPROVE RESOLUTION #2021-135: A RESOLUTION OF THE ONTARIO CITY COUNCIL DECLARING CERTAIN REAL PROPERTY, BEING LOTS 14 & 15 AND THE NORTH 12 FEET OF LOT 16 OF BLOCK 21 OF THE ORIGINAL TOWNSITE OF ONTARIO AS SURPLUS LAND AND NO LONGER NEEDED FOR PUBLIC USE AND APPROVING THE SALE OF SAID REAL PROPERTY. Roll call vote: Mills-no; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 5/1/1.



Councilor Hart confirmed this action was to make surplus the parking lot and to sell the parking lot to Looks Nu Car Wash.

Mayor Hill stated that was correct.

HART moved, KIRBY seconded, **THAT THE CITY COUNCIL AUTHORIZE THE CITY MANAGER TO SIGN ALL THE DOCUMENTS REQUIRED TO COMPLETE THIS SALE, INCLUDING THE DEED TO TRANSFER TITLE.** Roll call vote: Mills-yes; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 6/0/1.

Stipe Settlement

Larry Sullivan, City Attorney, presented. The settlement was self-explanatory, but he thought there was going to be a stipulated judgment he thought was going to be presented to the Council that required the Mayor's signature, and that included all the terms of the settlement.

BAKER moved, BRADEN seconded, **THAT THE ONTARIO CITY COUNCIL APPROVE THE PROPOSED STIPULATED JUDGEMENT IN THE CASE OF CITY OF ONTARIO VS STIPE AND AUTHORIZE THE MAYOR TO SIGN ON THE CITY'S BEHALF.** Roll call vote: Mills-yes; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 6/0/1.

OLD BUSINESS

Purchase and Land Swap with Looks Nu Car Wash, Inc.

HART moved, BAKER seconded, **THE CITY COUNCIL APPROVE THE AGREEMENT BETWEEN THE CITY OF ONTARIO, OREGON AND LOOKS NU, INC. FOR THE PURCHASE AND TRADE OF LAND AND PROPERTY.** Roll call vote: Mills-no; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 5/1/1.

PRESENTATIONS

City Manager Update *(Attached)*

Adam Brown, City Manager, presented.

Marijuana Funds Expenditures Update *(Attached)*

Kari Ott, Finance Director, presented.

NEW BUSINESS

Bid Award: Closed Circuit TV Sewer Line Inspection Services

Paul Woods, City Engineer, presented.

MILLS moved, KIRBY seconded, **THE COUNCIL AWARD THE BID FOR CLOSED CIRCUIT SEWER LINE INSPECTION SERVICES TO INTEGRITY INSPECTION SOLUTIONS IN THE AMOUNT OF \$370,087.60 AND AUTHORIZE THE MAYOR TO SIGN THE CONTRACT AND PURCHASE ORDER.** Roll call vote: Mills-yes; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 6/0/1.

Contract Award: Janitorial Services for City Facilities

Al Cablay, Public Works Director, presented.

HART moved, KIRBY seconded, **THE CITY COUNCIL AWARD THE CONTRACT FOR JANITORIAL SERVICES TO WESTERN BUILDING MAINTENANCE, BOISE, IDAHO.** Roll call vote: Mills-yes; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 6/0/1.



Connect Oregon Endorsement

Mayor Hill stated the city had received a letter from the Eastern Oregon Railroad asking the city to support them in a grant they were applying for that would upgrade the railroad for ConnectOregon. He read a sample letter into the record: *Commissioner Bob Van Brocklin, Chair, Oregon Transportation Commission; Dear Chair Van Brocklin, on behalf of the Ontario City Council, I would like to express our support for the Oregon Eastern Railroad ConnectOregon application. The OERR provides a critical link to the national freight network for our city serving multiple customers whose employees live and work in town. Ensuring the railroad's long-term success is critical for that employment base and the long-term viability of the rail shippers. This project will replace 1.3 miles of track, install 4,400 ties, surface 24 miles of track placing 3,000 pounds of ballast, along with some crossing and bridge work. This project, when complete, will improve safety and velocity while reducing costly derailment risks. This upgrade is instrumental in preserving rail as a viable "green" transportation option linking Ontario's rail-served customer to national and global markets. With this ConnectOregon project, the OERR will drive further investment into the rail infrastructure providing a more safe and efficient line. Having the ability to market more of the line to handle the standard weighted 286,000-pound rail car will put us in a position to capture more business opportunities which will in turn create more jobs for our community. On behalf of the people of the City of Ontario, I respectfully request that the ODOT give fair and favorable consideration to the OERR's ConnectOregon project to fund required upgrades to rail service that will keep this community competitive.*

KIRBY moved, MILLS seconded, **THE CITY COUNCIL ENDORSE THE LETTER SUPPORTING THE CONNECTOREGON APPLICATION BY THE OREGON EASTER RAILROAD.** Roll call vote: Mills-yes; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 6/0/1.

DEPARTMENT HEAD UPDATE**Finance: Monthly Report** (Attached)

Kari Ott, Finance Director, presented.

Ms. Ott stated she believed the Council was aware that the city discovered they had overpaid Jacobs for three years, so Finance was working with Jacobs to get the numbers aligned. That totaled \$166,878, over three years. There was \$89K for the past two years. Going forward, they would determine the correct numbers, receive a credit, but there was not a control in place that should have been, but going forward it would be. All contracts, not just Jacobs, would be filed with the purchase orders so the City Manager would know things had been reconciled. On the Jacobs side, their regional manager, indicated he would personally be reconciling the Jacobs/Ontario contract on a monthly basis.

Mayor Hill assumed the Finance staff would be conducting an internal review to determine if there were any other shortcomings. He suggested around 8-10% of the total for review.

Ms. Ott stated she would be reviewing the contracts, double-checking existing or installing new internal controls.

Ms. Ott stated the auditors were in Ontario the previous week, and overall, it appeared the audit went well. She was not aware of any large issues.

DISCUSSION ITEMS**TOT Increase Approval Process**

Brown, City Manager, stated Councilor Hart had asked him to do some research on the process to increase the existing TOT. Currently, there was a 9% Transient Lodging Tax, or previously referred to it as the TOT, or Transient Occupancy Tax. The 9% was split between multiple funds. The allocation and amount had been amended at least six times since 1978. The state had done some legislation in 2003, which limited some future uses, but grandfathered the previous uses. Any future uses had to maintain a 70/30% distribution for tourism related activities, which was very broad. The two facilities Councilor Hart asked to be looked at were the Desert Sage Event Center (the Malheur County Fairgrounds) and the Aquatic Center. The tourism facility was defined in general terms as something that



pulled someone into the city. He believed those two entities fell within the guidelines. Also, since they would be adding to the numerator, the clause of ensuring any future breakdown of 70/30 would not affect the breakdown if the Council implemented it. His understanding of the legislation and what he found helpful was the TLT guide from the League of Oregon Cities, (attached). The Council could implement the tax themselves or refer it to the voters.

Councilor Hart thanked Mr. Brown for pulling that together. He sat on the V&C Committee, and there had been a discussion about the TOT. The current TOT in Ontario was 9%, and the Chamber President researched other communities on their TOT amount. A 1% increase would generate approximately, estimated yearly, was \$120K annually in additional revenue. He would like the Council to explore, if they did increase the TOT from 9% to 10%, which would be similar to other communities in the area, to allocate those funds towards the two entities discussed. He'd like to allocate 75%, around \$90K annually, to the operations of the pool, and then the other 25%, or approximately \$30K annually, to the Fairgrounds. Both institutions brought in people into the city, and those were assets he'd like to see the city invest in. This was brought forward to determine if it could be done, and it appeared they could, so he'd like to bring a formal proposal forward for Council consideration. He'd like to put it before the voters on the May ballot. He'd like the Council to vote first to agree to do this, and following approval, place it on the May ballot. This would allow both the Recreation District and the Fair Board supporters to help campaign in the community pushing for a positive outcome in May. He reminded the Council the Charter amendments were slated for the May ballot already, so there would probably be no additional cost to the city to add this, other than the drafting of the language to appear on the ballot.

Mayor Hill stated the motel, hotel, and RV park owners would have an opportunity to comment on this proposal.

HAND OUTS

Check Register (Attached)

September 2021

Minutes (Attached)

County Court 10-06-2021

CORRESPONDENCE, COMMENTS AND EX-OFFICIO REPORTS

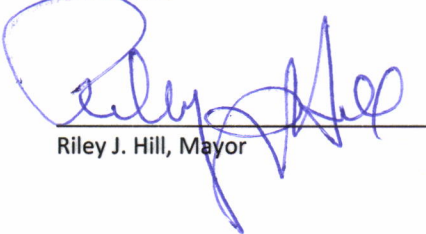
- Mayor Hill asked if the Speed Boat races had been signed, and the city had in hand the reclamation bond?

Mr. Brown stated the business had ceased working on the project. They had sent a draft of the bond and expected approval tomorrow. He had also received some calls from state agencies to ensure rules and regulations were being adhered to.

ADJOURN

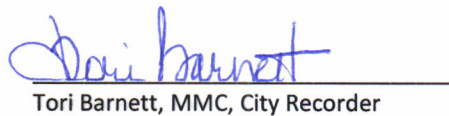
KIRBY moved, BAKER seconded, **THAT THE MEETING BE ADJOURNED**. Roll call vote: Mills-yes; Baker-yes; Kirby-yes; Braden-yes; Hart-yes; Melendrez-out; Hill-yes. Motion carried 6/0/1.

ACCEPTED:



Riley J. Hill, Mayor

ATTEST



Tori Barnett, MMC, City Recorder

