COUNCIL MEETING MINUTES
January 7, 2013

The regular meeting of the Ontario City Council was called to order by Mayor Joe Dominick at 7:00 p.m. on Monday, January 7, 2013, in the Council Chambers of City Hall. Council members present were Norm Crume, Joe Dominick, Jackson Fox, Charlotte Fugate, Dan Jones, David Sullivan, and Ron Verini.

Members of staff present were Jay Henry, Tori Barnett, Larry Sullivan, Mark Alexander, Bob Walker, and Mike Long. The meeting was recorded on tape, and the tapes are available at City Hall.

Also present: Councilor-Elect Larry Tuttle.

Dan Jones led everyone in the Pledge of Allegiance.

AGENDA

Mayor Dominick added Item 7D: Election of Council President, and Item 7E: Prothman Professional Services Contract.

Charlotte Fugate moved, seconded by Ron Verini, to adopt the Agenda as amended. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

CONSENT AGENDA

Ron Verini moved, seconded by Charlotte Fugate, to approve Consent Agenda Item A: Approval of the Regular Minutes of 12/17/2012; and Item B: Approval of the Bills. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

PUBLIC COMMENTS/PRESENTATIONS

(Typed verbatim from hand-out)
Ruth Rolland, Ontario, stated *"I'm curious, do the members of the Ontario City Council expect to ever know the status of the City's Finances? I read the newspaper last Thursday, and learned that $308 thousand dollars in revenue had been placed in the General Fund, instead of going to the Streets Fund, and this was an error that has been happening for years – and nobody noticed? I know that I've been attending City Council meetings for more than a year now, and virtually every work session seems to be a sort of renewed red alert exercise over a budget that - - isn't real. Again and again, always in some way blaming the confusion of the budget, the Mayor and Council seem to avoid committing to any actions that might give some small hint to the citizens of this town what you truly care about. As long as the finances are a huge mystery, it seems you can take cover and tell the people who want a great swimming pool - - Sorry! It seems we don't' know how to count our money. And to the people who want to know the City will keep the Golf Course operating with some assurance about its future, you can say, - - Sorry! We'd love to do that to if we only could tell if we have any money. I wonder if you find this financial uncertainty serves to help you justify taking other actions that seems like good policy to each of you, regardless of what Ontario's tax-paying residents, business owners, and working people feel about these issues. It's the residents of this City who elected you. It is - - - to serve the people of the City – ALL the City's people - - - that should drive your decisions. As I've said before, a City is known for what it values: It doesn't seem to me, that you value the everyday people living and working in the City of Ontario. Out in the snow tonight, Ontario Public Works employees have one more time been carrying signs to inform all of Ontario that the City Council is unfair to City workers and does not respect them. It's just not right what you have done to these workers, and how you continue to deal with all the people employed by the City of Ontario.*

Councilor Sullivan stated he had sat there for quite some time, listening to Ms. Rolland repeatedly slander this Board. He had served on the committee for a number of years, and he knew that every person on that Board was trying to find out what was going on with the finances of this city. They tried to spend the money wisely, and they tried to do it with integrity. He had seen her written statements in the paper that were completely wrong with respect to the budget. And every meeting, she had come up there and continually slandered this body because they hadn't voted the way she would like to see on a labor strike. If she really wanted to know what was going on with the finances, he encouraged her to learn a little bit about it before she came and slandered this body because her recollection in the newspaper was highly incorrect. Her recollection that they had almost $9M in contingency funds was completely wrong. So for her to come up there and slander this body over not knowing the finances was somewhat of a joke to him. Maybe she should come and find out on her time, rather than just slander this body.

Matthew Stringer, Executive Director, Four Rivers Cultural Center, stated his support for keeping the Aquatic Center open, as it was an important piece of the city.

Gary Fugate, Ontario, stated he used to be an avid golfer, and he wanted to support every effort in keeping the golf course open. He also supported the Aquatic Center, and keeping it open. Also, after listening to Ruth Rolland speak out against the Council, he wanted to state he personally knew how many hours were dedicated to their position. They were all doing an excellent job, and he supported them all. He might disagree at times, but he still supported them. They were all fiscally conservative, and he supported them 100%. Even the most casual observer could see that Ms. Rolland had a personal agenda, and he wanted to be a counter-balance to that agenda.

NEW BUSINESS

Outgoing City Councilor David Sullivan

Tori Barnett, City Recorder, stated David Sullivan would be stepping down from his seat as an Ontario City Councilor, and would receive a plaque from the City.

Mayor Dominick read Mr. Sullivan's plaque: *David Sullivan, Ontario City Councilor, January 1, 2009 – December 31, 2012. Audit Committee, Budget Committee, Hospital Facility Authority, Local Contract Review Board, Business Loan Fund Representative, Golf Committee Ex-Officio, SREDA Representative, Finance Department Liaison, and Aquatics/Recreation/Parks/Cemetery Liaison. In recognition and with deep appreciation for the hard work, dedication, and many contributions rendered in service to the people and the community of Ontario, Oregon. A special thank you for contributing your vast financial knowledge in so many ways, enabling Ontario to be a better, more fiscally sound City. We extend to you our deepest gratitude, the Ontario City Council, 2012.*

Councilor Sullivan stated it had truly been an honor. He enjoyed every moment that he had served, and even had to leave that night with a farewell outburst. He knew that the Council was the best he had ever been involved with, and the people deeply cared.

Swearing in Councilors Norm Crume, Charlotte Fugate, and Larry Tuttle

Tori Barnett, City Recorder, stated As a result of the November 6, 2012 General Election, the Ontario City Council welcomes re-elected Councilors Norm Crume and Charlotte Fugate, and newly elected Councilor Larry Tuttle. Ms. Barnett administered the Oath of Office to Norm Crume, Charlotte Fugate, and Larry Tuttle.

Tentative Approval of System Development Charge for Data Centers

Larry Sullivan, City Attorney, stated System Development Charges (SDCs) were one-time fees charged to new development to help pay a portion of the costs associated with building capital facilities to meet needs created by growth. The SDC fee schedule previously approved by the City Council included a fee for the construction of warehouses, but not for data centers. The Public Works Department proposed that a separate fee should be used for the construction of data centers, because the burden imposed on the city's transportation infrastructure was

smaller (i.e. less traffic was generated) for data centers than it was for warehouses. The City hired a consultant, FCS Group, to develop a methodology to calculate a data center SDC rate consistent with the methodology used by the city for other transportation SDCs. The memorandum determined that the rate should be $141 per thousand square feet gross floor area (TSFGFA). The memorandum was reviewed by the Public Works Committee, who recommended that the City Council adopt an SDC fee of $141 TSFGFA for data centers instead of continuing to impose the SDC fee for warehouses of $708 TSFGFA.

Before a formal resolution was adopted by the City Council to establish an SDC rate for data centers, a minimum 90-day notice had to be given to those people requesting notice of any modification of the City's SDC rates. Staff recommended the proposed resolution be sent to those on the City's SDC notice list. After the passage of 90 days from the date of the notice, a public hearing would be held and a formal SDC rate resolution would be brought back to the Council for adoption. Staff would calendar this matter for further action by the Council at its April 15, 2013, meeting.

Riley Hill, Public Works Committee Chairman, stated a flaw had been found in the methodology in calculating the rate. After contacting the entity to review the method, it was discovered that a different fee should be charged. The Public Works Committee was in full support of the SDC rate proposal.

Ron Verini moved, seconded by Jackson Fox, that the City Council tentatively approve a transportation SDC rate for data centers of $141 per thousand square feet gross floor area, based upon the methodology set forth in the December 14, 2012, memorandum from the FCS Group, and authorize staff to give the required notices before that rate is formally adopted by the City. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

Public Works Committee Update

Mr. Hill stated pursuant to a request from the Council for a report from the Public Works Committee, there was an ordinance regarding the backflow prevention of sewer lines. They didn't have time to review that, and recommended the Council follow state law pending a full review. Also, a study for the underpass by CH2M Hill determined it was a solid structure, and had ideas on how to improve it cosmetically. The Public Works Committee wondered about the street funds that were placed in a wrong line, and if those funds would come back to the streets department. Another issue, it was determined that SRCI's water and sewer billings had been under-billed by $500K or more, before this Council was in place. Also, there was a building department issue that there was a positive money flow last year, but Inspections Inc. was leaving, so the city would need to find someone for plumbing and electrical inspections. They didn't want to go back to the state. Also, they learned that PERS was going to increase a lot, but they didn't know by how much yet. That was troubling because in previous years it was substantial. They received reports that a Utility Worker made $60K a year, and with no revenue coming in, that would affect the overall budget. Also troubling was they thought they had $1.9M in sewer contingency reserves and $1.2M in the water contingency fund; however, those funds were $1.4M less. But, good news – they were finally getting responses to questions in a timely manner. He thanked the Mayor and Council for getting staff on board who were up to the task.

Mayor Dominick thanked Mr. Hill for his comments, and the Public Works Committee for their work. The street fund and the TOT inaccuracies were being researched. The City Manager and Finance Director were working on that, and he hoped to have answers by the 17th. The street fund was depleted. If the ordinance read that it was where it was supposed to be going, then it needed to go there.

Councilor Verini asked about the timing of Inspections, Inc. leaving.

Mr. Hill stated he had been told in speaking with County Counsel that Inspections, Inc. would be leaving at the end of February. The state would step in and do inspections once a week; however, the County really was the governmental entity with authority over the entire thing. They wanted to have it work well for both the city and county.

Mr. Walker stated there was a meeting scheduled on the 10th to discuss that issue.

Election of Council President

Tori Barnett, City Recorder, stated the position for Council President came up every two years, coinciding with a new election. Therefore, the Council needed to appoint a new President. She asked if anyone specifically did NOT want the position.

Councilors Verini, Crume, Tuttle and Fugate all stated they were not interested.

Ms. Barnett asked if anyone would like the position.

Councilor Jones stated his interest.

Councilor Fox nominated Councilor Jones for the position of Council President.

Ms. Barnett stated as there were no other nominations, if all those in favor would signify by stating yes, Councilor Jones would be the new Council President.

It was a unanimous decision for Councilor Jones to be Council President.

Prothman Professional Services Contract

Mayor Dominick stated the Council needed more help than just with the evaluation of the City Manager. Prothman suggested they could provide the city with services for continued improvement between the city and City Manager. Prothman had helped with the City Manager search, and because of that, they'd like to see this work. Prothman was willing to cut their usual fee in half, down to $2000, all inclusive, to facilitate the issue. The Mayor strongly supported this action. It was important for the city and the community. He was asking for a vote to hire Prothman to facilitate this process, and to help set small goals to move forward and work together better.

Councilor Verini asked what the city would get for their $2000.

Mayor Dominick stated based on his conversation with Protham, they would come to Ontario to get their thoughts; they would speak with Council, ask staff for input, and develop a plan to get the city moving forward. He hadn't asked for specific contract details, but the city had worked with this company twice before. Protham would interview the Council, the City Manager, and then do a group interview, to start.

Councilor Verini asked how the City Manager felt about the process.

Mr. Henry stated he didn't have a problem; his preference would be to include the Department Heads in the discussion, and if they were going to fly Prothman in from Washington, then use them to build on an independent outside unbiased evaluation of the City Manager. That would be a useful tool for the money spent. It would be ongoing, not just a one-time deal. It would be nice to have that as a public document outlining who needed to work on what.

Mayor Dominick stated there was a communication breakdown between the City Manager and the Council, and it was the opinion of some Councilors, not just him. Bringing in an independent person to handle it, maybe it could move forward to the benefit of the city.

Councilor Fox asked what Protham could say that wasn't already in the City Charter and the City Council Rules. Why pay $2000 for that?

Councilor Fugate stated on Thursday there had been a long conversation on the Ontario Aquatic Center and the Ontario Golf Course, and Councilor Jones stated maybe they needed to think about closing them, since they didn't know about the finances. The next day there was an article in the paper about the golf course gearing up for a new season. She didn't think that was what had been discussed. She was confused. The previous City Manager always approved the articles in the paper. Had Mr. Henry seen that?

Councilor Fox stated he had never heard that the City Manager approved newspaper stories.

Mayor Dominick stated he found out from a citizen that the golf course was going to be open and selling passes before they knew it was even going to open. That piece of communication was what they needed to work on. They needed to facilitate that better. They kept stumbling. Prothman could point out where the City Manager, or the City Council, or the Department Heads, were doing something wrong, and correct it.

Councilor Verini stated it was a small price to pay to increase communication, especially civil communication, with the City Manager and the Department Heads. It could be a true benefit.

Mayor Dominick stated with respect to the cost, the quoted price did not include the City Manager evaluation piece.

Councilor Fox asked how they would do the City Manager evaluation.

Mayor Dominick stated it hadn't been discussed; it was just an option Prothman offered.

Councilor Jones stated with regard to Mr. Henry's employment contract, was the Council obligated to do a six-month evaluation?

Larry Sullivan, City Attorney, stated the contract read they could do an evaluation six months prior to the annual. The City Manager and the City Council could work on that.

Councilor Jones thought that on Thursday, they had been told that they were required to do one at six months.

Mayor Dominick stated the contract didn't show that, but the emails reflected that. Did they want to follow the intent or follow the contract?

Councilor Fox asked if the contract had a one-year evaluation requirement. If so, follow the contract.

Councilor Jones stated on Thursday, the conversation was to have a six-month evaluation because of the contract. Now they were being told a six-month evaluation didn't need to be done. After speaking with the Mayor earlier, he wasn't sure one meeting was going to be enough - there was a lot of work to be done. For the next two, to two and half months, staff needed to keep their heads down and working. Let staff do their jobs, and at the end of February, mid-March, then do an evaluation.

Mayor Dominick asked for Larry Sullivan's thoughts on the contract vs. intent issue.

Mr. Sullivan stated the signed contract provided for an annual review. He believed there was a portion in the contract which implied any other contracts or agreements were void. There was no legal obligation to do one before that.

Councilor Crume stated he was confused, much like Councilor Jones, regarding the six month evaluation. It was hard to make a decision with all this new information. He believed there was a breakdown in communication, which needed to be fixed, but he didn't know the best way to do that. His instinct told him to let it work out on its own.

Mr. Henry stated he kept hearing in public about these breakdowns in communication, but in private sessions, he was being told he gave more information than previous City Managers. He had really strived to do the best for the city. In the five months he had here, he found several issues, and opportunities, and staff had done a good job considering what they had stepped in. He didn't mind an evaluation, if the City Council had something they wanted to see from him, he was always willing to listen. No one was perfect, but he was willing do what was necessary to make the city a good city. There was unrest between the City Council and the City Manager based on perceived duties. He was hired to manage, and that's what he had been doing. What they were doing was creating a sense

of a fuzzy future for the city – was he in, or was he out? He was going to keep moving. Did the Council like what he had done for the past five months? He thought he had been doing a good job. He wife was waiting to hear from him as to whether she should move or not. He needed answers from the Council as to what the future held for him. He was preparing a memo for the Council for the next study session. He wanted the Council to know he liked being here, and the work they were doing, and there was some exciting things coming up.

Councilor Verini stated that based on those comments, he wanted to pull back his earlier statement. Councilor Jones was in a position as President now, and that might bring a different momentum with working when working with the Mayor and the Council. He felt they should table this for a few weeks, to see what the dynamics were going to be with new leadership on the Council, and the new communication with Mr. Henry.

It was Council consensus to take no action on the issue at this time.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Bob Walker stated bids were in on the Malheur Farm lease from various farmers, and he expected to bring that forward on the 17th with a recommendation. Also, NW 4th Avenue bid requests would go out in February, with construction in April or May.
- Jay Henry stated Mike Long had been working on the budget, and he had put together a wonderful document which showed a snapshot of each department and the city overall. It was being tweaked, so it wasn't ready for Council yet. Mr. Long had been doing a great job for the city, and he was very pleased with his performance thus far. Regarding the City Engineer, since he had been placed on restrictions for hiring personnel, he had devised a memo on the hiring process.
- Jackson Fox stated on some points the City Manager touched on, including the ones on Mike Long. He had served as the Liaison to the Finance Department for two years, and he hadn't seen a balance sheet until now. These were things the Council needed to know to make an informed decision.
- Dan Jones thanked the Council for voting him in as Council President. He looked forward to working with the Mayor and the City Manager. One goal he had was to bring them closer together.
- Norm Crume thanked the Council for their support as Council President over the preceding two years.

ADJOURN

Ron Verini moved, seconded by Jackson Fox, that the meeting be adjourned. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

APPROVED:

Joe Dominick, Mayor

ATTEST:

Tori Barnett

Tori Barnett, MMC, City Recorder