

**COUNCIL MEETING MINUTES**

**June 18, 2012**

The regular meeting of the Ontario City Council was called to order by Mayor Joe Dominick at 7:00 p.m. on Monday, June 18, 2012, in the Council Chambers of City Hall. Council members present were Norm Crume, Joe Dominick, Jackson Fox, Charlotte Fugate and David Sullivan. Dan Jones and Ronald Verini participated by telephone.

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

Jackson Fox led everyone in the Pledge of Allegiance.

**AGENDA**

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

**LOCAL CONTRACTORS REVIEW BOARD**

Chuck Mickelson stated the purpose of this agenda item was for the Council to consider hiring Oster Professional Group, PC as the City of Ontario audit firm for a three-year contract to audit fiscal years beginning July 1, 2011 and ending June 30, 2014. In August, 2011, the Council approved a one-year contract with Oster Professional Group, PC for fiscal year 2010/2011 for the amount of \$19,965.

For a number of years the City of Ontario had been audited by the firm of Dickey Tremper from Pendleton. Although the firm had continued to serve the City well, it was good practice to occasionally change to another firm to avoid having the relationship between the staff and auditors become too familiar and routine.

Due to the change of Finance Directors in August, 2011 there was no time to request proposals and expect to be successful in being able to schedule an audit firm's staff during the height of the audit season. Since Oster Professional Group, PC was currently the auditor for 8C School District and TVCC, they were asked to provide an audit proposal for one-year for the City.

Section 7.1 of the Ontario Financial Policies Manual stated the City's Purchasing Policy would not apply to professional services and the requirements would not be mandatory in the employment of professional services such as Certified Public Accountants/Auditors if it sat as a local contract review board and declared the particular contract to be a personal services contract and waived the City's solicitation requirements for the contract.

Charlotte Fugate moved, seconded by David Sullivan, that the Mayor and Ontario City Council, sitting as a Local Contract Review Board, declare the Oster Professional Group, PC contract letter of June 1, 2012 is a personal services contract under Section 7.1 of the Ontario Financial Policies Manual. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

David Sullivan moved, seconded by Jackson Fox, that the Mayor and Ontario City Council, sitting as a Local Contract Review Board, approve the personal services contract for three years with Oster Professional Group, PC without soliciting proposals from other auditing firms. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

**CONSENT AGENDA**

Mayor Dominick recused himself due to a conflict, as his corporation had an invoice on the bills.

Charlotte Fugate moved, seconded by Norm Crume, to approve Consent Agenda Item A: Approval of the Regular Minutes of 06/04/2012; and Item B: Approval of the Bills. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-abstain. Motion carried 6/0/0/1.

**NEW BUSINESS**

**Resolution #2012-112: Reclass Projects Inadvertently Charged to Operating Contingency**

Chuck Mickelson, City Manager, stated after the approval of the demolition of Goodman Oil and the restoration of the Hollingsworth Well, no resolution was completed to follow up the budget transfer. The proposed resolution would correct the Operating Contingency and Equipment Replenishment Contingency to reflect the proper actions that should have been completed at the time of the approval. This resolution would also correct Resolution #2012-103 for the purchase of the aquatic lift which inadvertently moved the budget from the Operating Contingency instead of the Equipment Replenishment Contingency. The proposed resolution would reclassify the expenses to the appropriate line items.

In December, 2011, the Council approved \$8,750 for the demolition of Goodman Oil to be taken out of the Operating Contingency. In February, 2012, the Council approved \$15,000 for the restoration of the Hollingsworth Well to be taken out of the Operating Contingency. Finally, in March, 2012 the Council approved Resolution #2012-103 to purchase an aquatic lift which moved the budget from the Operating Contingency.

Below was a history of the use of the Operating Contingency 001-004-871000 if this resolution was approved:

Original approved budget for the 2011-2013 biennium:	\$1,538,401
Demo – Goodman Oil (Resolution #2012-XXX)	<u>\$ (8,750)</u>
Balance Remaining Operating Contingency	\$1,529,651

Below was a history of the use of the Equipment Replenishment Contingency 001-004-871100 if this resolution was approved:

Original approved budget for the 2011-2013 biennium:	\$150,000
Fire Pumper #103 (Resolution #2012-102)	\$ (17,000)
Police Recording Equipment (Resolution #2012-110)	\$ (17,288)
Aquatic Lift (Resolution #2012-XXX)	<u>\$ (5,700)</u>
Hollingsworth Well Restoration (Resolution #2012-XXX)	<u>\$ (15,000)</u>
Balance Remaining Equipment Replenishment Contingency	\$ 95,012

David Sullivan moved, seconded by Charlotte Fugate, that the Ontario City Council adopt Resolution #2012-112: A RESOLUTION TO AUTHORIZE THE RECLASSIFICATION OF PROJECTS INADVERTENTLY CHARGED TO OPERATING CONTINGENCY. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

**Resolution 2012-109: Transfer Funds for Transit Program Contribution**

Mayor Ken Bishop, Fruitland, Chair, Snake River Transit Advisory Committee, stated the program had been running for a number of years, and they were seeing increased ridership, and positive effects on all the communities. The money given by Ontario went to match programs that brought back 3x times the amount provided to the program. It was positive from a financial standpoint, as well as a number of different aspects in the community. It supported the downtown revitalization project grant application, as a letter of support was included in that application. There were a number of facets this program supported, and he encouraged the Council to continue their support.

The proposed resolution would reduce the General Fund Operating Contingency by \$30,000 and increase the Transit Program Contribution by \$30,000 summarized as follows:

Account Number	Account Name	Adopted FY 11-13 Budget	Proposed Change	Revised FY 11-13 Budget
<b>GENERAL FUND</b>				
ADMINISTRATIVE OVERHEAD EXPENSE				
001-004-615553	TRANSIT PROGRAM CONTRIBUTION	\$30,000	\$30,000	\$60,000
001-004-871000	OPERATING CONTINGENCY	\$1,529,651	\$(30,000)	\$1,499,651

Following was a history of the use of the Operating Contingency 001-004-871000 if Resolution #2012-109 was approved:

Original approved budget for the 2011-2013 biennium:	\$1,538,401
Demo – Goodman Oil	\$ (8,750)
2012-2013 Transit Program Contribution	<u>\$ (30,000)</u>
Balance Remaining Operating Contingency	\$1,499,651

Since the \$30,000 proposed additional expense is less than 10% of the General Fund Budget, this request can be handled by a resolution approved by the Council.

Mayor Dominick stated the Budget Committee voted 8-6 to NOT fund the bus system. However, in June the Council voted 2-3 to fund the bus system for one year at \$30K. The city's contingency was close to the \$1.5M mark, a number the Budget Committee didn't want to see go any lower. The operating contingency was the city's emergency fund, for expenses such as the need for a new roof on City Hall, or emergency services vehicle replacement. The city has a Revolving Loan Fund, which was established 15-20 years ago with a \$500K grant from the State of Oregon, to make small loans to businesses to help keep them in operation. The basic rules of that loan had to maintain that \$500K balance to keep it as a revolving loan fund. Currently, the loan fund had \$30 short of \$800K. The interest from the BLF payments could be used for Community Enhancement projects, as a grant. Item #13 of the BLF terms read that first, the interest on the principal must first replace any principal amounts lost from uncollectable loans on any outstanding loans granted through the city. The remainder of the dollars shall go to the Ontario Economic and Community Enhancement Small Grant Fund, which shall be available for distribution set for by resolution of the Ontario City Council for public facility projects which enhance the economic stability or general quality of life within the community. He believed the bus system fell within that program, and asked that they consider a grant for the Snake River Transit, rather than taking money out of the city's contingency.

Councilor Verini stated it was a great idea, and solved the problem of going below the \$1.5M threshold in the contingency. On the approximate \$800K in the BLF, how much of that was interest? Was that in a bank, or was that loaned funds the city was receiving interest on?

Mr. Mickelson stated according to the balance sheet prepared on June 15, 2012 by Finance Director Lisa Hansen, the city had cash in the bank of \$403,888, and outstanding loans of \$395,639. There was about \$400K cash in the bank.

Councilor Verini asked if they were using interest from the bank, or the interest coming in from the outstanding loans.

Councilor Sullivan stated it would be the interest from the bank. It wasn't recognizing future earnings of interest. It was looking at retained earnings. To keep it at the \$500K level, it would put them at about \$300K available for this type of purpose.

Councilor Crume asked about the verbiage on the resolution done in 2004, and wanted to know the legal ramifications of the wording. It read "...for eligibility, any public facility, project, or piece of equipment, meeting the criteria set forth, shall be eligible to receive funds from the grant fund. For the purpose herein, "public" shall mean a facility or project owned and sponsored by the City of Ontario, Malheur County, State of Oregon, 8-C, or Treasure Valley Community College. He wanted clarification on the "owned and sponsored by".

Larry Sullivan, City Attorney, agreed that in order to meet the definition of public, it would have to be a facility or project that was both owned and sponsored by the city. That's the way it was written.

Councilor Sullivan stated it was odd language, to have owned and sponsored by.

Mr. Sullivan agreed. It was obviously redundant. If the city owned it, it wouldn't need to be sponsored. All of the criteria had been adopted by resolution by the Council, and they could be modified by resolution.

Councilor Crume asked if it was correct in what it said.

Mr. Sullivan agreed that as written, owned and sponsored, those were conjunctive words meaning both had to be satisfied in order to fall within the definition. Whether that was what was intended or not, that was how it was written. It would make more sense to be owned OR sponsored. In order to have it fall within the terms of the resolution, there would need to be some modification of the resolution to correct that language. There was not a formal resolution prepared for that evening, and there would have to be a numbering for it. The Council could take action to have that prepared for the Council to act upon.

Tori Barnett, City Recorder, stated if the Council wanted to resolve the issue at the current meeting, because they had the ability to modify the agenda to add action items to it. That particular piece of the resolution could be modified that evening. She could provide a resolution number, and Larry [Sullivan] could provide the language necessary to make the modification. That could be adopted that evening.

Mr. Sullivan agreed. The Council did not have to have a written resolution in front of them to adopt it, as long as they had the language ready for what they were approving.

Councilor Fox stated the Budget Committee said no to funding the bus, and he would stand by that.

Councilor Sullivan stated they had advisory committees make recommendations to the Council all the time, but that didn't mean they had to follow the recommendations.

Councilor Jones asked if there was an accurate number on interest earned over the past years. He was having a small problem with \$500K or \$800K, as there were two loans that he was aware of that were in default. He also asked if the city's auditors had reviewed the bank statement.

Mr. Mickelson stated it appeared they were comfortable with the balance sheet that was prepared by Finance. He had located a previous memo about the history of the BLF. It was established in 1987, and over the years, total loans issued was \$2,104; principal loan amounts paid in full \$1,164,000; principal loan amounts defaulted \$189,000, and principal receivables at the time was \$750,000. Today's number – cash in the bank - \$403,000, and accounts receivable for existing loans \$395,000. There were two defaults: 2009 for \$140,000, and 2007 for \$48,000. How much interest, specifically, had been paid in, he did not know.

Councilor Fox requested an accounting of the interest, as well as copies of the resolutions they were discussing.

Mr. Sullivan stated if the beginning balance was \$500,000, and that was all principal, anything in excess of that, today, would have had to been interest.

Councilor Jones questioned the \$200,000 write-off. To still have that balance, he questioned if some money had inadvertently been placed in that account. The balance just seemed high.

Councilor Sullivan stated this program had been running since 1987. Every penny of interest earned not only had been earned, but had earned interest on that as well.

Mayor Dominick stated the only two grants he was aware had been given was for a roof replacement at the golf course, and maybe some new flooring out there, and then some recording equipment in the 9-1-1 center. There hadn't been a lot of money spent on grants from that interest. Even with a total asset of a little less than \$800,000, just to be safe, in subtracting that \$200,000, that still left \$600,000 in the account, which was \$100,000 over the requirement set by the state.

Councilor Jones just wanted verification that the numbers they were discussing were correct.

Mayor Dominick stated he was confident with the report submitted by the Finance Director and the City Manager.

Councilor Sullivan stated it would have also been part of the audit Oster just completed, and there was nothing in the audit that showed any concern with this.

Mayor Dominick stated the question before them was whether or not to reallocate funding for Snake River Transit through the Operating Contingency or through the Ontario Economic and Community Enhancement Grant. The community had let them know they wanted the service.

Mr. Sullivan stated a modification to the resolution would be necessary, to change the word "and" to "or", and he would also suggest adding a paragraph reading the new resolution would supersede Resolution #2004-101.

Councilor Sullivan stated he believed in the program, and it helped a lot of folks around town, and it was a benefit to the city. He liked that the city's contribution was matched by grant funds, and the city received a good return for what was paid in. The surrounding communities also participated, and it was nice to get a good community partnership. He was in total support of the program.

Councilor Verini stated he had submitted a letter to the editor, and it was also distributed to the Council. Funding the \$30,000 to the program was morally, socially, and fiscally responsible. He was in support of the entire \$30,000 commitment. How it was funded, whether through the BLF or contingency, was immaterial. He liked the idea of taking the funds from the BLF account.

Councilor Fugate stated she supported the program, as it was important to the community. Next time, maybe some businesses could put funds towards the bus program, as the businesses have really benefited from the bus.

Councilor Jones stated according to the article in the newspaper, what he had to say was irrelevant, so he'd just hold off.

Councilor Crume stated most knew he had been against the bus from the beginning. He has stated his reasons. He believed the bus system should be privately run. He supported the dial-a-ride system. He was very intrigued by the thought process on the funding options before them that night, to get it out of the taxpayer's hands. One thing he was still concerned about was that

the city's contribution allowed Nyssa and Vale to ride the city's coattails on the 5311 grant. He believed they were subsidizing those two cities, and if he wasn't mistaken, Nyssa and Vale hadn't even been asked to contribute funds. All the other communities contributed, but Nyssa and Vale hadn't, but were still receiving the service. Ontario was contributing the largest amount. He suggested the City of Ontario only contribute \$20,000, and ask Malheur Council on Aging to get with Nyssa and Vale, and ask them to put in \$5,000 each to help support the system. Also, the press in this area uses selective reporting. He had discussed where the city was on the contingency balance. The Budget Committee and the Council agreed to not let the amount go below \$1.5M, to keep the funds available for emergencies. What wasn't well known was that virtually every Council meeting had a request for some type of emergency that needs funding. If they dropped too low, what would happen when another emergency happened, or they had to settle negotiations? It was not written how close the city was to dropping below the threshold. The paper was doing a poor job of following what was happening. The comment in the paper about for the size of Ontario's budget, \$30K was a mere pittance, that was correct; but it was still \$30K less than they would have.

Charlotte Fugate moved, seconded by David Sullivan, to amend the Agenda to add Resolution #2012-115.

Councilor Fox disagreed. He believed the intent of the word "and" showed the intent of the Council at that time, to spend the interest money only on Ontario's projects.

*(Repeat motion)* Charlotte Fugate moved, seconded by David Sullivan, to amend the Agenda to add Resolution #2012-115. Roll call vote: Crume-yes; Fox-no; Fugate-yes; Jones-no; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 5/2/0.

Mayor Dominick stated the change to Resolution #2004-101, to paragraph 2, Eligibility, change the word "and" to "or".

Mr. Sullivan stated it should read "The purpose herein public shall mean a facility or project owned "OR" sponsored by the City of Ontario, Malheur County, State of Oregon, Ontario 8-C School District, or Treasure Valley Community College".

Mayor Dominick stated they also needed to add the paragraph "Resolution #2012-115 supersedes Resolution #2004-101".

Mr. Sullivan agreed; that would ensure there were not two resolutions on the books.

Mayor Dominick moved, seconded by Ron Verini, to adopt Resolution #2012-115, A RESOLUTION AMENDING RESOLUTION #2004-101, MODIFYING PARAGRAPH 2, LINE 6, TO READ "THE PURPOSE HEREIN PUBLIC SHALL MEAN A FACILITY OR PROJECT OWNED OR SPONSORED BY THE CITY OF ONTARIO, MALHEUR COUNTY, STATE OF OREGON, ONTARIO 8-C SCHOOL DISTRICT, OR TREASURE VALLEY COMMUNITY COLLEGE"; AND TO ADD IN A FINAL PARAGRAPH STATING RESOLUTION #2012-115 WOULD SUPERSEDE RESOLUTION #2004-101. Roll call vote: Crume-yes; Fox-no; Fugate-yes; Jones-no; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 5/2/0.

Norm Crume moved, seconded by Dan Jones, that the City Council utilize funds through the Ontario Economic and Community Enhancement Small Grant Fund, in the amount of \$20,000, for the City of Ontario's transit payment to Snake River Transit.

Councilor Sullivan asked if it wasn't maybe too late to collect money from Nyssa and Vale?

Councilor Crume stated he was perplexed that that could happen. Vale and Nyssa should have been asked to contribute to this.

Councilor Sullivan didn't disagree, but maybe they could deal with this for this year, and put in a stipulation for future funding.

Councilor Crume stood by his motion; and maybe that would be a push to MCOA to get things done in a more timely manner. The advertising for benches and for on the busses, had been talked about for well over a year, and no progress had been done on it. They all expected that to be done by now. His motion was an effort to get that moving.

Councilor Verini stated they might not like the accounting practices, and they definitely had a difficult situation, but the reality was that they got more than the \$30K they were spending for the service. To bring a system into our community, it would cost much more than that just for one bus driver. They system itself brought in a lot of revenue, maybe over \$200K in this area. This community needed to realize the benefits of the riders coming into the community and spending their money. They shouldn't be short-changed by \$10K. That would cause a chain reaction. For the \$10K that Councilor Crume wanted to short them, it wouldn't be beneficial for the community to not fund the full \$30K.

Councilor Crume didn't want to short them \$10K; he wanted that to come from Nyssa and Vale – their fair share.

Mayor Dominick stated he wouldn't put as much pressure on Nyssa and Vale as he would the business community, and the government agencies that benefited from the usage.

*(Repeat motion)* Norm Crume moved, seconded by Dan Jones, that the City Council utilize funds through the Ontario Economic and Community Enhancement Small Grant Fund, in the amount of \$20,000, for the City of Ontario's transit payment to Snake River Transit. Roll call vote: Crume-yes; Fox-yes; Fugate-no; Jones-yes; Sullivan-no; Verini-no; Dominick-yes. Motion carried 4/3/0.

David Sullivan moved, seconded by Ron Verini, to recognize \$10K over and above the previously allocated \$20K to come from the funds allocated in Resolution #2012-115.

Councilor Jones stated this system was funded by taxpayer's funds, not just \$30K from Ontario. The only way he could support the bus, and he wanted to support it, but during the past one to two years, they had continued to ask what adjustments could be made, and there had never been an attempt to make an adjustment. In businesses, in the city, in the city budget, every department had adjusted their operating budgets. Everyone had reduced expenses, their budgets, they had all made do. The citizens were continually readjusting. Yes, it would scramble MCOA a bit, but by allocating \$20K to them, and allowing them to readjust their routes, it would also set the procedure in their operations for the next budget process. That might just gain some faith with the Budget Committee and the City Council, to continue to support the system. He challenged the Council to support the \$20K, and he challenged the bus company to readjust their budget and their schedules, to show they could reduce and adjust and still provide a service that everyone could support.

*(Repeat motion)* David Sullivan moved, seconded by Ron Verini, to recognize \$10K over and above the previously allocated \$20K to come from the funds allocated in Resolution #2012-115, and for all \$30K to come from the Economic and Community Enhancement Small Grant Fund. Roll call vote: Crume-no; Fox-no; Fugate-yes; Jones-no; Sullivan-yes; Verini-yes; Dominick-no. Motion failed 3/4/0.

Mayor Dominick stated his no vote was based on his agreement with Councilor Jones's comments, that some changes needed to be made, and a more aggressive advertising campaign needed to be one. He would work with Mayor Bishop to get that moving.

Councilors Dan Jones and Ronald Verini departed the Council Meeting at 8:10 pm.

**Resolution #2012-113: Transfer Funds for Pivot and Fence Repair and Additional Operating Expenses at Skyline Farms**

Bob Walker, Public Works Director, stated through a combination of effluent water quality and unsatisfactory farming practices, the city's Skyline Farm needed a lot of attention in order to make it a viable site for disposal of the wastewater effluent from May 1<sup>st</sup> thru October 31<sup>st</sup> every year as required by the city's ODEQ permit. The City Manager and city staff negotiated a new farm lease with Sage Farms and developed a cost estimate based upon bids to determine cost consequences to the city. This was discussed with the City Council on June 4, 2012.

The City of Ontario undertook a project in 1996 – 1997 to expand the capabilities for the wastewater disposal system. It was decided to send the treated effluent water from the Wastewater Treatment Plant to Skyline Farm for storage and disposal of the water during summer months. The pipelines, pumps, reservoir, and irrigation pivots were built, a 50-year farm lease contract was signed with Farrell Larson, and the effluent water was pumped up to the farm for the farmer's irrigation use.

A combination of the effluent water quality and poor farming practices has now resulted in a quality of soil that was not conducive to good crop production. If the farm was operated as it had been during the past several years, the soils would basically be unsuitable for farming within eight to ten years. Therefore, under the direction of the City Council and the assistance of two Council members and several staff members, a new 10-year farm lease contract was developed with Sage Farms and cost estimates developed to determine consequence to the city for making the farm a viable operation.

On May 21, 2012, staff reviewed conditions at Skyline Farm with the Council, estimated costs for repairs and soil conditioning, and informed them that the existing farmer had defaulted on his contract with the city. The Council recommended that city staff negotiate with several local farmers to develop a new farm lease and refine the costs needed for repairs and soil conditioning. On June 4, 2012, staff reviewed the farm lease contract that was negotiated with Sage Farms, along with the cost consequences to City.

If Resolution #2012-113 was approved, the Operating Contingency (110-165-871000) for the Public Works Sewer Fund would be reduced by \$121,200 for the 2011-2013 budget period, as detailed below:

Original approved budget for the 2011-2013 biennium	\$1,906,089
Skyline Farm repairs and operating expenses	\$ (121,200)
Balance Remaining Operating Contingency	\$1,784,889

## CITY OF ONTARIO 444 SW 4<sup>TH</sup> STREET ONTARIO OREGON 97914

David Sullivan moved, seconded by Jackson Fox, that the City Council adopt Resolution # 2012-113: A RESOLUTION AUTHORIZING A REALLOCATION OF EXPENDITURES WITHIN THE SEWER FUND FOR PIVOT AND FENCING REPAIRS AND ADDITIONAL OPERATING EXPENSES FOR SKYLINE FARM. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Sullivan-yes; Verini-out; Dominick-yes. Motion carried 5/0/2.

### **Ordinance #2668-2012: Amend OMC 7-1 re: Nuisance and Health Regulations (First Reading)**

Mark Alexander, Police Chief, stated the Police Department would like to amend Municipal Code Title 7, Chapter 1 relating to Nuisances and Health Regulations in order to be more effective.

Ontario Municipal Code Title 7, Chapter 1 defined nuisances such as weeds, garbage and junk vehicles. The Code provided a process to abate those nuisances when property owners failed to do so and allowed the city to lien properties when billing for abatements were not addressed.

Other jurisdictions were sending unpaid abatement billings to collections in lieu of placing a lien on properties. The Police Department learned from those jurisdictions that this process had been effective in collecting a higher percentage of their costs in a timelier manner.

Violations of Title 7, Chapter 1 were Unclassified, resulting in a \$300 fine. Many people violating this Code were not in a financially stable position to pay such a fine, which created further burdens and did not always prevent future violations.

The Police Department would like to change language in Title 7, Chapter 1 to give the city the option of turning unpaid bills from nuisance abatements to collections and classifying violations as a Class D Violation. The city should realize an increase in revenue from unpaid nuisance abatement bills.

Norm Crume moved, seconded by David Sullivan, that the Council adopt Ordinance #2668-2012, AN ORDINANCE AMENDING ONTARIO MUNICIPAL CODE TITLE 7, CHAPTER 1, on First Reading by Title Only. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Sullivan-yes; Verini-out; Dominick-yes. Motion carried 5/0/2.

### **Accept Quitclaim Deed, Subordination Agreement, Bargain & Sale Deed and Easement – Max Mills – re: NW Washington Relocation Project**

Councilor Fox recused himself from the action due to a potential conflict of interest.

Chuck Mickelson, City Manager, stated ODOT staff had prepared appraisals and conducted negotiations on many of the parcels that must be acquired for this roadway project. Those Deeds needed to be accepted by the city prior to recording or closing on the property.

On July 6, 2010, the Council approved Agreement No. 26720 with ODOT accepting \$4.5 million for the relocation of NW Washington and constructing Park Boulevard to NW 16<sup>th</sup> Avenue. On November 15, 2010, the Council approved Agreement No. 26720-01 with ODOT, which was an amendment authorizing the expenditure and reimbursement of funds for the above project. On March 7, 2011, Council approved Agreement No. 27027 with ODOT authorizing the ODOT right-of-way staff to proceed with appraisals and acquisition of properties for the NW Washington and Park Boulevard roadway project, and on July 18, 2011, Council approved Agreement No. 27027-01 with ODOT, which was an amendment clarifying how funds would be paid by ODOT for the appraisals and acquisition costs.

David Sullivan moved, seconded by Norm Crume, that the City Council authorize the City Manager to sign the Quitclaim Deed, Subordination Agreement, Bargain and Sale Deed, and Easements from Max Mills accepting the property for the NW Washington roadway project. Roll call vote: Crume-yes; Fox-recuse; Fugate-yes; Jones-out; Sullivan-yes; Verini-out; Dominick-yes. Motion carried 4/0/2/1.

### **Accept Relinquishment Deed from ODOT Transferring Tapadera Avenue, a Part of Goodfellow, and a Part of East Lane to the City of Ontario (C&A #27785)**

Chuck Mickelson, City Manager, stated the State of Oregon (ODOT) relinquished some right of way to the City of Ontario. The relinquishment deed pertained to specific pieces of right of way acquired in 1996 – 1998 for the East Idaho Avenue project on the Olds Ferry-Ontario Highway. The relinquishment was in accordance with C&A #27785.

In 2003/04, Meyer Mohaddes Associates was hired to prepare a traffic study for the “East Ontario Commercial Area.” This study resulted in the recommendations for improvements to the roadway and intersections, as well as establishing fees per vehicle trip. The city then passed an ordinance requiring the payment of traffic impact fees from the various developers in the area. In 2008/09, ODOT requested that the city take responsibility for maintenance of East Idaho Avenue from the Snake River

to NE 4<sup>th</sup> Street. The city rejected this proposal and ODOT remained responsible for the structural integrity of this section of State Highway 30. In 2009, the Council adopted a two-year budget that included upgrades to East Idaho intersections in the amount of \$750,000. On November 15, 2011, the Council approved Resolutions #2010-153 and #2010-154, which reallocated funding and modified the project budget from \$750,000 to \$800,000; they also approved Agreement #26638 with ODOT for this project. On July 18, 2011, the Council approved Revised Agreement #27785, which replaced Agreement #26638.

David Sullivan moved, seconded by Norm Crume, that the City Council authorize the City Manager to sign the Relinquishment Deed from the State of Oregon by and through its Department of Transportation, transferring Tapadera Avenue, part of Goodfellow, and part of East Lane to the City of Ontario. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Sullivan-yes; Verini-out; Dominick-yes. Motion carried 5/0/2.

**CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS**

- Councilor Fugate stated she had received an email regarding the Transient Occupancy Tax possibly being threatened by companies like Expedia that provide discounted rooms in hotels. She discussed her concerns with Representative Cliff Bentz, and hotel owner Bob Quinn. Representative Bentz indicated the issue was complicated, and had been discussing the pros and cons of the issue, and he was staying in the loop.

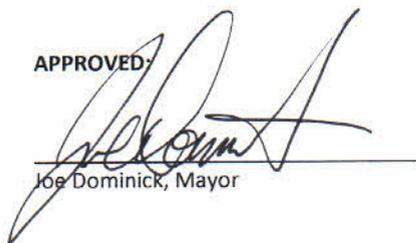
Mayor Dominick said when companies bought a block of rooms, they paid the discounted rate. When the rooms didn't sell, they would be sold later at a higher price, and that's where the loss would be seen, as the TOT would only be collected on the lesser cost, even if sold later at a higher rate.

- Mayor Dominick stated he had been out to the Airport on Saturday to check out the antique airplane show, and there had been a good turn-out. He noted that the Fixed Base Operator area was looking nice, and he had provided around 65-70 pilots with food and beverage for the event.
- Mayor Dominick reminded the Council that they had been asked to be cooks for the annual pancake breakfast at the upcoming Airshow; however, he would be out of town during the event.

**ADJOURN**

Joe Dominick moved, seconded by Norm Crume, that the meeting be adjourned. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Sullivan-yes; Verini-out; Dominick-yes. Motion carried 5/0/2.

APPROVED:



Joe Dominick, Mayor

ATTEST:



Tori Barnett, MMC, City Recorder