

COUNCIL MEETING MINUTES

June 20, 2011

The regular meeting of the Ontario City Council was called to order by Mayor Joe Dominick at 7:00 p.m. on Monday, June 20, 2011, 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 Henry Lawrence, Tori Barnett, Larry Sullivan, Mark Alexander, Chuck Mickelson, Marcy Skinner, David Richey, Al Higinbotham, Kathy Daly, Sheri Smith, Debbie Jeffries, Greg Bakken, Liz Amason, Julie Rodriguez, Chris Bolyard, Scott Phelps, Sam Almaraz, Ben Esplin, Rachel Hopper, and camera operator Delaney Kee. The meeting was recorded on tape, and the tapes are available at City Hall.

David Sullivan led everyone in the Pledge.

AGENDA

Charlotte Fugate moved, seconded by Dan Jones, 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.

CONSENT AGENDA

David Sullivan moved, seconded by Jackson Fox, to approve Consent Agenda Item A: Approval of Minutes of Regular Meeting of 06/02/2011; Item B: Approval of Meetings Calendar – July-December, 2011; Item C: Appointment to Recreation Board – Jeremy N. Roberts; Item D: Request to Accept ODOT Grant: Traffic Safety Coordinator Project; Item E: Bid Award: Chipseal Oil – Idaho Asphalt Supply, Inc.; Item F: Resolution #2011-107C and 2011-108C: Corrections to Existing Ordinances; Item G: Resolution #2011-117: Establish Policies for Ending Fund Balance FY 2010-11; and Item H: 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.

ACTION

Swearing in Police Chief

Tori Barnett, City Recorder, administered the Oath of Office to incoming Police Chief Mark Alexander. Following the swearing in, Chief Alexander introduced his guests: his wife Jody, son Aaron, daughter Taylor, parents Bill and Linda Alexander, brother Greg, and nephew Tanner.

PUBLIC HEARING(S)

Ordinance #2655-2011: Annexation/Rezone UGA-Residential to City RS-50 Single Family Residential (Nadine Drive) (1st and 2nd Reading by Emergency)

It being the date advertised for public hearing on the matter of Ordinance #2655-2011, the Mayor declared the hearing 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.

David Richey, Planning and Zoning Administrator, stated the applicants for the project, a combination of property owners and the city, in response to a public health hazard from domestic wells and septic systems, proposed the annexation to facilitate a local improvement district to extend city services into the area. At the February 14, 2011 Planning Commission meeting, the Commission heard the annexation and rezone proposal applicable to property known as the Nadine Drive Neighborhood, located north of 18th Avenue, along Alameda Drive. On May 1, 2011,

the City Council heard the action, and moved to continue the action until after bid openings for LID #47, for the construction project to install water and sewer lines.

The Mayor opened the hearing for public testimony.

Opponents: None.

Proponents: None.

There being no Proponent and no Opponent testimony, the Mayor declared the hearing closed.

David Sullivan moved, seconded by Norm Crume, that the City Council accept the Findings of Fact as presented. 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 Charlotte Fugate, that the City Council approve the passage of Ordinance #2655-2011 on Emergency Reading. 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 Norm Crume, that the Council adopt Ordinance #2655-2011, AN ORDINANCE PROCLAIMING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF ONTARIO; AND WITHDRAWING SAID TERRITORY FROM THE ONTARIO RURAL FIRE PROTECTION DISTRICT; AND WITHDRAWING SAID TERRITORY FROM THE ONTARIO RURAL ROAD ASSESSMENT DISTRICT NO. 3; AND DECLARING AN EMERGENCY. THE PROPERTY IS KNOWN AS THE NADINE DRIVE NEIGHBORHOOD, WITHIN THE ASSESSORS MAP 18S47E09C, LOCATED ALONG ALAMEDA DRIVE NORTH OF SW 18TH AVENUE, on First Reading by Title Only. 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 Charlotte Fugate, that the Council adopt Ordinance #2655-2011, AN ORDINANCE PROCLAIMING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF ONTARIO; AND WITHDRAWING SAID TERRITORY FROM THE ONTARIO RURAL FIRE PROTECTION DISTRICT; AND WITHDRAWING SAID TERRITORY FROM THE ONTARIO RURAL ROAD ASSESSMENT DISTRICT NO. 3; AND DECLARING AN EMERGENCY. THE PROPERTY IS KNOWN AS THE NADINE DRIVE NEIGHBORHOOD, WITHIN THE ASSESSORS MAP 18S47E09C, LOCATED ALONG ALAMEDA DRIVE NORTH OF SW 18TH AVENUE, on Second and Final Reading. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

NEW BUSINESS

Bid Award: LID #47 – Nadine Drive/Alameda Drive Sanitary Sewer, Water, and Street Improvements 2011 to Eastern Oregon Construction, LLC

Chuck Mickelson, Public Works Director, stated for a number of years staff had worked to provide sanitary sewer service to the Nadine Drive area. On November 11, 2010, the Council approved the Declaration of Intent to create LID 47, and on February 7, 2011, Council approved the creation of LID 47, and authorized staff to solicit bids for sanitary sewer mains, water mains, surface restoration on Alameda Drive, and a street with a flat concrete curb on Nadine Drive with two width options. Option #1 would provide a pavement width of 26-feet with a 12-inch wide flat concrete curb on each side. Option #2 would provide a pavement width of 20-feet with a 12-inch wide flat concrete curb on each side. The option used would be determined by the low bidders cost and the assessment cost per lot.

Bids were opened June 8, 2011, for LID #47. Eastern Oregon Construction, of Ontario, was the apparent lowest responsive and responsible bidder at \$198,504.00. Their bid consisted of construction of approximately 1,186 lineal feet of 8-inch diameter sanitary sewer main, 518 lineal feet of 6-inch water line, and 643 lineal feet of 8-inch water main, including pipe, services, hydrants, valves and surface restoration. The project would also include approximately 2,000 lineal feet of 12-inch wide concrete flat curb on Nadine Drive. Eastern Oregon Construction's bid came in under the engineer's estimate by approximately \$80,000.

LID #47-Nadine Dr/Alameda Dr Sanitary Sewer, Water and Street Improvements 2011 Bid Results	
COMPANY	TOTALS
EASTERN OREGON CONSTRUCTION LLC	\$198,504.00
WARRINGTON CONSTRUCTION	\$232,203.00
GRANITE EXCAVATION INC	\$241,985.60
MVCI LLC	\$250,361.19
LURRE CONSTRUCTION INC.	\$268,502.00
DURHAM GRAVEL WORKS, INC.	\$310,583.60
ENGINEERS ESTIMATE	\$280,645.00

Mayor Dominick asked when construction would begin.

Mr. Mickelson stated it would begin mid-July or sooner.

David Sullivan moved, seconded by Jackson Fox, that the Council award the LID #47: Nadine Drive/Alameda Drive Sanitary Sewer, Water and Street Improvements 2011 with Option #1 Proposed Street Cross Section Nadine Drive, to Eastern Oregon Construction, the lowest responsive and responsible bidder, in the amount of \$198,504.00 and authorize the City Manager to be signatory to an agreement with Eastern Oregon Construction. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

PUBLIC HEARING(S)

Ordinance #2658-2011: Annexation/Rezone UGA-Residential to City RS-50 Single Family Residential (Brown)(1st Reading) and Supplemental Report by Larry Sullivan, City Attorney

It being the date advertised for public hearing on the matter of Ordinance #2658-2011, the Mayor declared the hearing 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.

David Richey, Planning and Zoning Administrator, stated the applicants, Michael and Marion Brown, 2040 Hunter Lane, needed to connect their house to city sewer. To accomplish that, approximately 500 feet of service line was required. The Planning Commission addressed the proposed annexation and the accompanying rezone from Urban Growth Area Residential to a city zone classification of RD-40 Duplex Residential which might include the more restrictive classification of RS-50 Single Family Residential. The Comprehensive Plan urban growth area residential classification was broad enough that any of the city residential zones might be considered to be consistent with it. At the April 11, 2011 Planning Commission meeting, they heard the annexation and rezone proposal, and on May 16, 2011, the Council heard the action, and moved to continue the action to the June 20 Council meeting.

The May 16, 2011, public hearing on the Brown annexation application was continued to give staff time to research issues raised by Dan Cummings about the Ridge View Subdivision, of which the Brown parcel was a part. In that hearing, Dan Cummings expressed a concern that the city's prior dealings with Richard Wettstein, the developer of the Ridge View Subdivision, might have imposed an obligation on the city to zone the Brown property as single family residential (RD-50).

Documents in the City file, as well as those provided by Dan Cummings to staff, showed that in 1996, developers Richard and Kaye Wettstein began taking the steps necessary to develop the Ridge View Subdivision. The plan was to subdivide 35 single family residential lots located outside city limits, in anticipation that those lots would be annexed into the city as they were developed in two phases. The steps taken included the following:

- 1) In 1996, the City Council enacted Ordinance 2773, in which the city was authorized to enter into a Development Agreement with the Wettsteins. For reasons unknown, no final Development Agreement was ever executed between the city and the Wettsteins.

2) In 1998, the Wettsteins recorded with the county the plat for Ridge View Subdivision I (as to 18 of the 35 lots). In that plat, the Mayor at the time, Robert Switzer, signed an acceptance of the street dedications shown on the plat, even though those streets were not yet within the city limits. Both the city and the county approved the plat.

Staff has seen no documents showing that any additional steps were taken to complete the subdivision and annexation process after the Ridge View Subdivision I plat was recorded. Staff was informed that the Wettsteins subsequently went bankrupt. Since that time individual landowners who purchased lots within Ridgeview Subdivision I have annexed into the city on a piecemeal basis.

From the City Attorney's review of the documents provided, the city was not obligated to zone any of these lots as RD-50 exclusively, due to no Development Agreement between the city and the Wettsteins being executed.

Although the Wettsteins never completed the process necessary to develop Ridge View Subdivision 1, the recorded plat appeared to be a legal plat under Oregon law. The procedures necessary to record the plat were followed, including the platting requirements imposed by Chapter 92 of the Oregon Revised Statutes, and the plat was approved by both the city and the county. Unless additional information was presented raising issues about the legality of the plat, the City Attorney had no reason to question the legality of the Ridge View Subdivision 1 Plat, or whether the streets within the plat were properly dedicated.

The Mayor opened the hearing for public testimony.

Opponents: None.

Proponents: None.

There being no Proponent and no Opponent testimony, the Mayor declared the hearing closed.

Norm Crume moved, seconded by Dan Jones, that the City Council accept the Findings of Fact as presented. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

Dan Jones moved, seconded by Charlotte Fugate, that the City Council adopt Ordinance # 2658-2011, AN ORDINANCE ADDRESSING THE FINAL ORDER AND FINDINGS OF FACT FOR THE ANNEXATION OF ¼ ACRE OF PROPERTY INTO THE CITY OF ONTARIO AND TO REZONE SAID PROPERTY FROM UGA-RESIDENTIAL TO CITY RS-50, SINGLE FAMILY RESIDENTIAL CLASSIFICATION FOR PROPERTY LOCATED AT 2040 HUNTER LANE, ONTARIO, TAX LOT 1000, MAP 18S 47E-5AC, PLANNING FILE 2011-02-04 AZ, on First Reading by Title Only. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

Resolution #2011-115: Adoption of Biennial Budget for FY 2011-2013

It being the date advertised for public hearing on the matter of Resolution #2011-115, the Mayor declared the hearing 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.

Rachel Hopper, Finance Director, stated Oregon Budget Law required municipalities to adopt an annual or biennial budget. Resolution 2011-115 adopted a two-year, or biennial budget. It further adopted, appropriated, imposed, and categorized property taxes for the first half of Fiscal Year 2011-2013, for the period July 1, 2011 through June 30, 2012.

While the budget appropriations covered a two-year period, property taxes were to be imposed and categorized one year at a time. Accordingly, the Council would be asked to adopt a resolution prior to July 1, 2012 which would adopt, appropriate, impose and categorize property taxes for the second half of the Fiscal Year 2011-2013.

The Fiscal Year 2011-2013 Budget as approved by the City's Budget Committee appropriated funds totaling \$57,005,699 across fourteen funds. The City Council was asked to adopt the Fiscal year 2011-2013 Biennial Budget by fund and object category with the City's Permanent Tax Rate of \$4.8347 per \$1,000 of assessed valuation.

The Council might make modifications to the approved budget before adoption, within certain statutory limits. Any changes proposed following the adoption of the budget by the City Council must be completed in the form of budget resolutions.

At this time, staff was recommending one modification to the approved budget relative to a FEMA fire equipment grant accepted by the Council thru Resolution 2011-108C. The proposed change included an increase in Grant Fund Revenue of \$57,855 and an increase in Grant Fund Expenses of the same amount. The proposed change did not exceed State statute.

Any additional changes recommended by the Council should be made before adoption of Resolution 2011-115, and any modifications must be mentioned in the motion to adopt the resolution.

The adoption of Resolution 2011-115 would adopt the City's Biennial Budget for Fiscal Period 2011-2013, and appropriate expenditures of \$57,063,554, which included the additional \$57,855 in the Grant Fund. Adoption further imposed taxes at the city's permanent rate of \$4.8347 per \$1,000 of assessed valuation for the General Fund.

Overall, the approved budget included changes as follows when compared to the 2009-2011 Biennial Final Budget:

TOTAL OF ALL FUNDS		Adopted Budget	Approved Budget	% Change
		This Year 2009-11	Next 2 Years 2011-13	
1	Total Personal Services	15,137,542	15,089,805	-0.32%
2	Total Materials and Services	7,391,255	12,214,076	65.25%
3	Total Capital Outlay	17,666,656	13,434,078	-23.96%
4	Total Debt Service	3,836,942	3,374,287	-12.06%
5	Total Transfers	8,394,627	3,586,324	-57.28%
6	Total Contingencies	7,518,669	7,144,123	-4.98%
7	Total All Other Expenditures and Requirements	-	-	
8	Total Unappropriated Ending Fund Balance	1,388,258	2,220,861	59.97%
	Total Requirements	61,333,949	57,063,554	-6.96%

The approved budget, as proposed to be modified, represented a decrease of \$4,720,395 or -6.96% from the last biennium. This was primarily the result of the decrease in capital outlay appropriations, which decreased by \$4,232,578 and represented a combination of completed airport project improvements and the fire substation, and a reduction in the amount of capital projects proposed to be completed by the public works related funds.

The 2011-13 Biennial Budget also included a shift in how the Water, Sewer and Storm Funds paid for their internal service and administrative costs to the Public Works Fund. As recommended by the city's auditors, those expenses were no longer shown as transfers, but as expenses within the Materials and Services budget category. There would be a like reduction in transfers as compared to a majority of the increase in materials and services in 2011-13. The decrease in debt service expenditures was a result of retiring three separate loans during 2009-11, two for the golf course irrigation system and one for the airport runway expansion property purchased on a five year note.

Councilor Fox asked what percentage number she had used.

Ms. Hopper stated it was fixed at 4.8347% per \$1000 in valuation. Measure 5 had frozen it, and the Council couldn't increase that rate without going for a vote of the people.

Mayor Dominick asked, in regard to Treasure Valley Transit, was there time to modify the grants and still receive OODT funds?

Jay Mantzer, TVT, stated he was not sure.

Lonie Debban, SRT, stated no, as their fiscal year began July 1.

Mr. Mantzer stated it was tricky this fiscal year, and he wasn't sure what Mayor Dominick was referencing.

Ms. Debban stated she had distributed an outline on her funding. Her budget had not passed yet; however, they had to have full funding in place on July 1, or a promise of funding by that date.

The Mayor opened the hearing for public testimony.

Proponents:

Larry Heidbrink, Ontario, stated he was there to boost support for the budget. He had been on the Budget Committee off and on over 12 years, and this past year had been the hardest budget passed. There had been the most talk, and had been largely about the bus. It had both a personal and fiscal element. Anything to help the citizens was great, but the Budget Committee had recommended to NOT fund the bus, and that Committee was accountable to the citizens for where the money was spent. The Committee had received a lot of input, from multiple sources; however, they had never been able to get clear answers or a full accountability for transit funds. There were other transportation venues available, and the city hadn't always had a bus. He hoped the Council would stick to what the Budget Committee recommended.

Lewie Allen, Ontario, stated he had lived in Ontario over 50 years, and he was appalled that the City Council wouldn't support the transit system. It was the only way for some of the elderly to get to medical appointments or to the store. Councilor Crume had called it an "entitlement". What did Councilor Crume think paying for the Golf Course for the past 50 years was – wasn't that an entitlement for the golfers? All the seniors over the past years had been paying big taxes, and now they were old and couldn't get around and the Council wanted to cut the bus. That was stupid. What did the City Council think the golf course - the city had been paying for that, and that was free-loading, welfare, and it wasn't right to the people of Ontario. Councilor Crume had mentioned Dial-A-Ride – well that cost more for them to have 3 rides on that, and the seniors had to buy food. Either the Council couldn't read, or they didn't care. The bus served not only the elderly, but also veterans, college, high school, all kids – and the Council was cutting their throats just for the golf course. Had Alan Daniels to help the City Manager, and he didn't approve of that cost, either. Put his wages towards the bus. Everyone was getting older, kids were leaving, and there was no one to take them to the store. What were they supposed to do? The Council cut the police and other departments for the golf course. They might not say it, but that was what was happening. The bus was a life saver for some that had paid taxes for over 40 years.

Pat Howe, Nyssa, suggested the Council pay attention to the Argus article. It was the best editorial she had ever read. Please read it. She had come to Nyssa over 20 years ago, and knew no one in town and no one in the cemetery. Yeas passed, met people in town, and knew some in the cemetery. Now, she was 80 years old, and knew more in the cemetery than in town. The bus was her support system. Her Geo Metro was in the shop a lot. She and another friend traded back and forth for awhile, and when she couldn't drive, that friend could, however

she had died two weeks ago. As they got older, they lost their support system. The transportation system was their support. She reminded the Council that they were all going to be there one of these days.

Frank Felder, Ontario, stated he had rented a house on SE 5th Avenue for over 22 years. He was dependent on the bus when they were still on the old system years ago. Since that had been extinguished, he had to do a lot of walking. Living on SE 5th, he witnessed quite a bit. Just across from him at the bus stop by the Human Development Center, he saw a lot of people waiting for the bus, often times exposed to the weather. He himself was dependent on the bus for getting to the store, to medical appointments, or to government agencies. He also noticed that every time the bus began from Wal-Mart, there were 10 adults and 6 kids, by the 2nd stop. Taking away the bus would be putting kids on the street. As far as legal aspects, people needed to get to Parole and Probation to report in, and stopping the bus would take away their ride. He was also concerned, along with the State of Idaho, the Idaho Statesman, and Channel 7, about what they were doing to Ontario. The city established a bus, then came back and cut it from the budget, and that was not helping Ontario. First a golf course, then a swimming pool – what next? He personally struggled with walking. Get the police to do more enforcement for additional funds – speeders, talking on cell phones while driving, that type of thing. This bus was important to him and to every one else. His family, who lived out of the area, was concerned about his well-being. If money was appropriated for transportation, leave it there! People came from all over, not just Ontario. Under Social Security, they were living under the income level of 2008, with no COLA since then, thanks to Obama. He, and a lot of others, were dependent on public transportation.

Terry Kohr, Ontario, stated he was on Social Security Disability, and was totally dependent on the bus service. He couldn't walk far, didn't have a car, and couldn't afford one. If the system was terminated, he didn't know what he would do, as he didn't have friends who could take care of him.

John Grose, Payette, stated he had a few points. One, for Norm Crume, on entitlement. If that was the case, then tax dollars used to pave the roads was an entitlement for drivers. His wife was legally blind, and rode the bus. Seniors who were too old to drive, rode the bus. It enriched their lives and gave them an opportunity to do things they otherwise wouldn't be able to do. He worked in Payette, out of his home, and he would lose a lot of clients if the bus system went away. The bus system was actually an anti-entitlement, because public transportation gave a chance to go to the doctor, go shopping, and to make friends. With Dial-A-Ride, there was a 24-hour required notice, so it wasn't always easy to just "go" to see anyone. If Ontario's budget was over \$56M, then \$30K wasn't a lot of money, and it gave a lot of benefit to a lot of people. It was a boon to the community. Anyone looking in this area for economic development, they would go where there was public transit. This was good for the city, for not a lot of money.

Rene Cummings, New Plymouth, stated she was the ex-Director of Harvest House, and she used to get calls at all hours of the day from people needing rides somewhere, and she would take them. She disagreed with Councilor Crume's comment, that the bus made people more dependent. It was just the opposite. It made them more independent, as it allowed them to get to places without have to find a ride.

Opponents: No portions of budget.

There being no further Proponent and no Opponent testimony, the Mayor declared the hearing closed.

Councilor Verini stated as a city, they would be judged by how they treated the citizens. It was extremely important for economic development, and the transportation system was probably one of the most important assets for this community.

Councilor Sullivan stated this issue had been discussed at length, and he wished there had been such an outpouring during the actual budget hearings. He agreed the bus system was a great asset to the community, and it helped many people become active members of society. With all they spent money on, he hoped the Council could find money for at least one year, to give the system time to develop more of the commercial phase, to make it more self sufficient. The Council should put a foot forward and support the system.

Councilor Fugate agreed, it was important to support the system. It was a small amount of money. Everyone needed help once in a while. It was important to offer this to the community.

Mayor Dominick stated from the 14 members of the Budget Committee, seven were from the community at large, and what the biggest concerns voiced were over management, accountability,, and the spending. In talking with different members of Treasure Valley Transit, or Snake River Transit, he suggested to them that they look into some management changes, or management of the funds, especially if the Council contributed money. The Council wanted to see a full accounting.

Mr. Mantzer stated he understood the heartburn. Treasure Valley Transit would be willing to come before the Council on a monthly basis, showing the money, the ridership, and to answer questions. That would make questions easier to handle, instead of waiting until the eleventh hour. That was the LEAST they could do if the Council opted to provide funding.

Councilor Jones stated he had voted against the bus system during the budget process; however, he would consider supporting the transit system on an annual basis, with the first year being only \$20,000 and Malheur County down to \$10K. Let that system go forward for one more year. He could probably support \$20K over the next two years. He didn't need to see them monthly, but maybe quarterly. He was not happy with management, and there were issues within the budget process. He could possibly support this if there was a reduction. If they kept it at \$30K, then he would opt to support the recommendation of the Budget Committee.

Councilor Fugate stated maybe they were not aware of that there were separate components. If Ontario didn't provide the full \$30K, then other funding would be lost. It was all part of a bigger formula.

Ms. Debban agreed. In meeting with ODOT, they wouldn't get the benches if the local match wasn't there. ODOT wanted to wait to see what the local entities would do before they would pitch in.

Mr. Mantzer agreed. Without full funding, it would be difficult to draw down grant funding.

Councilor Fox wanted to be all things to all people, for everything they could dream up; however, they were the City of Ontario in the worst economic times of his lifetime. The Budget Committee reviewed the entire budget carefully, and while cities did many things well – such as sewer, fire, water, police – other things, like the bus, he would have to weigh in on the side of the Budget Committee.

Councilor Crume stated on the blogs, he had been accused of not listening; however, if anyone knew him, when he ran for Council, he made it perfectly clear that he was against the bus system, and his opinion had not changed. He was elected with the voters knowing that about him. He was not a quitter, and not a waffler, and he was going to stay the course he stated when he ran for office. To be sitting in the hot seat, he took it as a badge of honor. Also, the Budget Committee voted to NOT fund the bus – with an 8/6/0 vote – but the Council had the right to change it as they saw fit. But, it was an unwritten, maybe unspoken, rule that they shouldn't make changes unless there was a dire need. He didn't agree with the budget on other issues, but the Budget Committee made their desires known, and it would be a joke for the Council to do otherwise. He believed if the Council didn't abide by the Budget Committee votes, it was a slap to that committee.

Mayor Dominick stated the golf course budget was cut by over 30%.

Mr. Lawrence reminded him that part of that was due to the kitchen remodel last year.

Mayor Dominick knew that 9-1-1 and the Police Department funds were fairly even, with some cuts, but no increases, and he believed the Fire Department had not taken any increases either. Also, the Public Works Department had no increases.

Councilor Sullivan corrected that the Fire Department had increased just a bit more this time around.

Mayor Dominick stated the entire budget was tight. The Budget Committee took two and a half weeks to review everything. As Larry Heidbrink had stated earlier, the bus was one of the most discussed and highly contentious issues. As a point of compromise – Malheur Federal Credit Union was offering a great funding opportunity, so instead of funding the bus at \$50K for the next two years, fund one year and allow it to go forward to look for more funding. The city's funding would be contingent upon county funding.

Councilor Sullivan stated regarding SREDA, it was a marketing arm, to look towards to the future. While it was still in the infancy stage with regard to the director, he would still recommend approval of the \$10K per year.

Councilor Crume stated he would be watching very closely, and would be very critical in future voting.

Councilor Fox stated he was fully prepared to back the Budget Committee until this transit issue came up.

Mayor Dominick asked for comments on funding for the Aquatic Center.

Councilor Fox stated his belief that it should go to a vote of the people. He didn't want to spend \$2M of the next generation's money. He didn't think it would cost that much to put it in front of the people.

Mayor Dominick stated the Budget Committee approved the \$14,500 towards the bidding process, and to expend \$500,000 from operating contingency if they moved forward on the construction.

Ms. Hopper stated the funds had already been moved since it was previously approved by the Budget Committee. Once bid, and to see the costs, it would be back before Council.

Councilor Fox asked if they were seriously willing to spend \$14k to see if bids would come in low. It would only be \$10K for a referendum.

Councilor Sullivan stated the pool was an asset that sat in the middle of the city. As popular as it might sound to get rid of it, they needed to really think about not having it when new companies came in to town, looking to see if they wanted to move here. It was already difficult to bring in new business. The citizens had spoken up, and they wanted to keep the pool.

Councilor Jones disagreed. It wasn't just the cost of rebuilding; it was also the cost of operations, which hadn't been addressed. That was substantial every year. He also didn't agree with those looking to move here. They were looking at transportation, traffic, fees, location, or available property.

Councilor Sullivan agreed, but it was very competitive, and they hadn't landed anyone.

Councilor Jones stated that was debatable. It was a no win situation. If they funded it, it would bring debt, but the alternative was to close it down or tear it down. They needed to grab hold of the financial situation in this town. Spending \$500K immediately for the pool, they just had to stop. He was on the Budget Committee and the figure was so large, he couldn't support it.

Councilor Fox agreed. They needed to look at other options. The Council before them spent \$75K to study the pool, and it wasn't even a study, it was a set of plans.

Councilor Verini stated economic development and quality of life for citizens in Ontario and for attracting new people coming into town, the benefits included the pool, the transit, and the golf course. The city needed to look into the future, to see what the corporations were truly looking for, not just rates, and fees, and land. They didn't know why Ontario hadn't been selected over the past few years, but they had lost to cities around Ontario for

reasons that had nothing to do with power, weather, or location, namely quality of life. Whether transit, pool, or the golf course, it was extremely important to consider that for economic development and quality of life.

There being no further testimony, the Mayor declared the hearing closed.

David Sullivan moved, seconded by Charlotte Fugate, that the Council adopt the changes to the approved budget as recommended by staff. 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 Ron Verini, that the Council adopt the changes to the approved budget as amended to reallocate General Fund expenditures, reducing contingency and increasing materials and supplies by \$30K, to provide funding for the Treasure Valley Transit System. Roll call vote: Crume-no; Fox-no; Fugate-yes; Jones-no; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 4/3/0.

David Sullivan moved, seconded by Charlotte Fugate, that the Council adopt Resolution No. 2011-115, A RESOLUTION ADOPTING THE BIENNIAL BUDGET FOR FISCAL YEAR 2011-2013. Roll call vote: Crume-no; Fox-no; Fugate-yes; Jones-no; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 4/3/0.

Resolution #2011-116: Election to Receive State Revenues

It being the date advertised for public hearing on the matter of Resolution #2011-116, the Mayor declared the hearing 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.

Rachel Hopper, Finance Director, stated Oregon Revised Statute required that municipalities formally declare their intention to receive State revenue sharing funds on an annual basis. This election could be done by resolution action. Adoption of this resolution would allow the city to receive allotted funds during the first half of its biennial budget. The Council would be asked to adopt a similar resolution during June of 2012 for the remaining year of the biennial budget.

It was anticipated that the city would receive \$95,000 in revenue sharing revenues during the first year of its biennial budget.

Staff was requesting the Council approve the resolution declaring the city's election to receive state revenues for the State's 2011-2012 Fiscal Year.

The Mayor opened the hearing for public testimony.

Opponents: None.

Proponents: None.

There being no Proponent and no Opponent testimony, the Mayor declared the hearing closed.

David Sullivan moved, seconded by Ron Verini, that the Council adopt Resolution No. 2011-116, A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

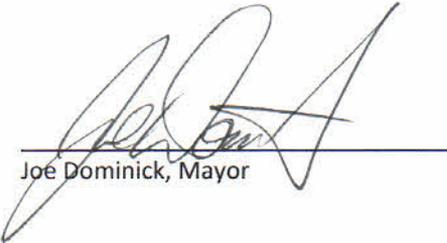
CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Henry Lawrence thanked Rachel Hopper for all her work in putting the budget together, and for her many years on staff with the city.
- Mayor Dominick reminded everyone that the meeting for July 5th had been cancelled, and consequently the Study Session for June 30th.

ADJOURN

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

ATTEST:



Joe Dominick, Mayor



Tori Barnett, MMC, City Recorder