

**ONTARIO CITY COUNCIL MEETING MINUTES
September 16, 2013**

The meeting of the Ontario City Council was called to order by Mayor LeRoy Cammack at 7:00 p.m. on Monday, September 16, 2013, in the Council Chambers of City Hall. Council members present were LeRoy Cammack, Norm Crume, Jackson Fox, Charlotte Fugate, Larry Tuttle, and Ron Verini. Dan Jones was excused.

Members of staff present were Jay Henry, Suzanne Skerjanec, Mark Alexander, Mike Long, Bob Walker, and Larry Sullivan. The meeting was recorded, and copies are available at City Hall.

Charlotte Fugate led everyone in the Pledge of Allegiance.

AGENDA

Jackson Fox moved, seconded by Ron Verini, to adopt the Agenda as presented. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 6/0/1.

CONSENT AGENDA

Norm Crume moved, seconded by Charlotte Fugate, to approve Consent Agenda Item A: Minutes of the Regular Meeting of September 3, 2013; and Item B: Approval of the Bills. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 6/0/1.

PUBLIC COMMENT(S)

Ruth Rolland, Ontario, stated *"I'm here, as you know there are people carrying signs again outside City Hall today. The City of Ontario's Public Works employees are still looking for a fair Labor Agreement to complete the contract that was never finished. Also, I'd like to read into the record a newspaper article brief that I spotted in the Friday newspaper. It says City looking to engineering firm to manage wastewater treatment - City officials recently had an initial meeting with an engineering firm to explore options for the operation and management of Ontario's Wastewater Treatment Facility. According to City Manager Jay Henry, the city's Public Works Department is working on a Request for Qualifications which would be used to determine whether the firm would be a good fit to provide these services to the city. It was a good initial meeting, Henry said. I'd further like to read some short statements of other cities who have had less than satisfactory results from sub-contracting public work. One is Wastewater and Sewer Privatization has failed for many U.S. cities - The first major failure in Atlanta, Georgia. This was United Water Suez. Atlanta cancelled its contract with United Water after four years of terrible service. The company downsized the work force by 400 jobs, accumulated the maintenance backlog of 14K work orders, delayed repairs, repaired fire hydrants at half the required speed, and inadequately responded to emergencies. The company's failure to collect enough late bills and to reinstall and maintain water meters cost the city millions of dollars. The city said United Water submitted bills for work it didn't do, and even worked on other contracts and tried to win new contracts while on Atlanta's dime. Overall, only half of the expected cost savings were realized and corruption tainted the ordeal when the company was linked to questionable payments to Mayor Bill Campbell, who was sentenced to 30 months in prison for federal tax evasion. High Rates in Felton, California - Felton residents began to advocate for locally-owned and managed water in 2002 when American Water took over their water system and saw the 74% rate hike. Believing a public utility can provide lower rates, better service, and greater protection of their natural resources, the town citizens voted 3-1 to approve an \$11M Bond to buy their system back. At first, American Water refused to sell, but in 2008, after a 6-year legal battle, the company finally folded and Felton went to a public water system again. Countless Woes in Stockton, California - (this was OMI and Thames Water) Residents opposed the privatization from the beginning when they quickly passed a referendum blocking any utility privatization deal worth more than \$5M, but the city had already rushed through the contract*

with OMI/Thames. Many problems ensued. Rates rose, customer service requirements went unfulfilled, the amount of unaccounted- for water tripled, maintenance tasks were backlogged, wastewater frequently overflowed, and irrigation water was contaminated. Just three years into the 20-year deal, a San Joaquin County Superior Court Judge officially overturned the Thames/OMI contract, determining that it would have significant environmental impacts. The city retook control in March, 2008. Lee, Massachusetts – After initially favoring the deal, the town representatives, in September 2004, voted overwhelmingly against turning over its water and sewer system to Veolia, the only company to respond to the town’s ad for a private operator. Veolia said it would save the city \$6M over 20 years, but residents grew uneasy with the arrangement when they read the fine print. Made public only days before the vote, the contract gave Veolia the right to set rates, to treat trucked-in waste from outside Lee, allowed the town only limited access to documents, and lacked a credible cost estimate against which promised savings could be measured. O’Fallon, Missouri – Concerned that privatization would lead to high rates, poor service, and loss of accountability, community leaders decided against selling their water system. After citizens spoke out at a City Council meeting, the Council decided it needed more research and authorized a task force to study the issue. The task force found that the sale had numerous disadvantages, including loss of control and representation, possible loss of jobs and loss of future revenues. After the task force presented its findings, the City Council decided not to pursue the sale.

I’m here to advise the Council that I feel, and I’m sure many residents of the city feel, it’s not good for Ontario to even consider such privatization. On one hand, the city talks about the need to bring good jobs into the city, and on the other hand, it seems like they pursue measures that will only reduce the quality of jobs we already have. Thank you.

Councilor Fox asked Ms. Rolland what her sources were, and what their affiliation was.

Ms. Rolland stated it was titled “Water Watch”. It was a non-profit organization, under waterwatch.org. It could be found online.

NEW BUSINESS

Reimbursement to Public Works for Donated Labor and Materials for Ontario High School Baseball Field Work and Laxson Park Playground Equipment Installation

Mike Long, Finance Director, stated the Council approved the donation of labor and materials for installing water and sewer service to the Ontario High School Baseball Field and for the installation of playground equipment at Laxson Park. The Finance Department needed Council direction on where to take funds from within the General Fund to reimburse the Public Works Department. The costs related to the projects were not budgeted. The Public Works Department needed to be reimbursed \$13,531.02 for the labor and materials provided. He suggested the funding come out of the Building Repairs and Maintenance fund as there was money there, and they wouldn’t need to go into Operating Contingency.

It was Council consensus to take the funds from Building Repairs and Maintenance.

Resolution #2013-130: Establishing City Credit Card Policy; Amend City Financial Policy Manual Section 1.13

Mike Long, Finance Director, stated this agenda item was to update City Credit Card Policy, Section 1.13, of the Financial Policy and Procedures Manual for the City of Ontario. This policy was last updated April 19, 2004. The Council reserved the authority to establish and modify financial policies and procedures as needed to meet the current laws and needs of the City of Ontario. The financial implication was that the Council elected to limit the number of city credit cards to a total of 16 cards, which was done under a separate action. Any increase above 16 would have to come before Council for approval. Also, it set the rules of usage of credit cards to be followed by the cities’ employees.

Councilor Fox asked if staff reviewed the credit card policy he provided from Malheur County.

Jay Henry, City Manager, stated he read it.

Councilor Fox read a few points the county had, that he would like to see incorporated into the city's policy. *"Visa card holders are responsible for and required to and must ensure that he/she has sufficient budgetary authority to incur the charge and that there is sufficient amount of funding available from his/her department budget to pay for the expenditure. Item B – Adequately identify and provide the original copy of the charge slip and receipts by attaching them to the requisition form for all purchases/charges made with the visa card. In unusual circumstances, if a charge slip or receipt is missing or lost, the employee must attach a statement identifying what was purchased, date, time, place, and purchase, and explanation for missing documentation. If the order was placed by mail, telephone, or fax, request that a hard-copy of the pricing and freight be faxed to you or your office, included in the shipment of supplies. If the order is placed on the internet, print out the information regarding the order. All credit card charges are properly documented and authorized and will be paid. It is the card holder's responsibility to provide adequate documentation of proof of appropriateness of the charges in his/her account. A pattern of missing documentation will result in loss of card privileges."* There were further ones that went into criminal charges. The county was really strict.

Mayor Cammack stated that was in this one, too. The section Councilor Fox referenced about internet purchases, and missing receipts, those were covered in the proposed policy.

Councilor Fox asked about #13 in the county policy – *Any violation or non-compliance with this policy may result in the revocation of the employee's right to use the visa card, and disciplinary action up to and including termination. Depending on the nature of the violation, the violator may also be prosecuted under applicable local, state, or federal civil or criminal law.*

Larry Sullivan, City Attorney, stated there was a proposed credit card user agreement that had that language in it, which would be signed by the employee.

Mr. Long stated Section 9 addressed policy violations: *Failure to follow this policy may result in loss of credit card or card holder privileges and may result in disciplinary action including termination of employment, as well as civil and/or criminal charges.*

Councilor Fox stated he wanted to see the credit card statements in the bills. He was quite sure there would be no charges seen to CJ Banks in Boise, and he could show that charge in past years.

Mayor Cammack stated the department manager controlled the budget and the money, and it was his/her responsibility to make sure the money was there or the card wasn't used.

Charlotte Fugate moved, seconded by Jackson Fox, that the City Council adopt Resolution #2013-130, A Resolution Establishing Policies Related to City Credit Cards and Replacing Section 1.13 of the Ontario Financial Policies Manual. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 6/0/1.

Ratification of Transient Occupancy Tax Reallocation

Mike Long, Finance Director, stated Ordinance 2450-2000, codified in City Code Section 3-11-4, provided that 52.5% of the proceeds from the City's Transient Occupancy Tax (TOT) be distributed to the city's Street Fund for street maintenance. Beginning with the 2003-2004 Budget, the city allocated that percentage of the TOT to the General Fund instead of the Street Fund.

At the end of 2012, the error was discovered, and with authorization from the City Manager, staff began making the correct allocation of TOT proceeds received after January 1, 2013 to the Street Fund for street maintenance activities, in compliance with Code Section 3-11-4. The Council was informed of staff's action, but no formal action was taken by the Council to approve it until the 2013-2014 Budget was passed. The 2013-2014 Budget approved by the Council formally allocated 52.5% of TOT funds received after July 1, 2013, to the Street Fund. Staff was requesting the Council make a motion to formally ratify staff's action in allocating 52.5% of TOT funds received between January 1, 2013, and June 30, 2013, in compliance with City Code Section 3-11-4.

Jackson Fox moved, seconded by Charlotte Fugate, that the City Council formally ratify the action of staff in allocating 52.5% of the city's Transient Occupancy Tax proceeds received after January 1, 2013, to the Street Fund for street maintenance activities in compliance with City Code Section 3-11-4. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 6/0/1.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Mike Long stated at the work session, Councilor Jones asked about if it was a conflict having the auditing firm help find the items that might be missed, to help reconcile the bank accounts. After checking how the contract was written, and in speaking with the Auditors, it was decided there was no conflict. They were not doing an audit; they were helping reconcile the accounts to arrive at a good beginning balance.

Councilor Fox stated they had access to all city books and computer system, correct? How did it work that they didn't have any skin in the game when they had audited the city for the previous two years, and also the current year. He didn't think they'd point out any wrongdoing they had part of.

Mr. Long stated that wasn't what they were looking into. They were helping the Finance Department confirm that all transactions that hit the bank also hit the General Ledger so they'd have a reconciled bank account. They were not looking into any wrong doing. They would be done after completing the reconciliation.

Mayor Cammack reiterated they would get current with the reconciliations, and they'd be done.

Mr. Long stated they would be going out for bid again, too, as they did that every three years.

Councilor Verini stated they had discussed this as a Council some meetings back.

Mr. Long stated there wouldn't be these types of problems when they got up and running with the new system.

- Jay Henry provided an update from Winterbrook Planning on the industrial rail lands scoping project. This was Phase I of the project, and he had approved just under \$10K for this. There would be a cost of approximately \$22K more on the reports and another \$12K on a traffic study. It was progressing well. Original approval amount was \$50K.

ADJOURN

Ron Verini moved, seconded by Norm Crume, that the meeting be adjourned. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-out; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 6/0/1.

APPROVED:


LeRoy Cammack, Mayor

ATTEST:


Tori Barnett, MMC, City Recorder