

**ONTARIO CITY COUNCIL MEETING MINUTES
Monday, December 16, 2013**

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

Members of the Planning Commission present were Michael Rudd, Rita Kanrich, Cindy McLeran, Craig Smith, and Ed Susman. Mike Allen and Max Twombly were excused.

Members of staff present were Jay Henry, Tori Barnett, Larry Sullivan, Al Higinbotham, Mark Alexander, Bob Walker, Alan Daniels, Mike Long, Marcy Skinner, and Justin Alison. The meeting was recorded, and copies are available at City Hall.

Jackson Fox led everyone in the Pledge of Allegiance.

AGENDA

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

CONSENT AGENDA

Jackson Fox moved, seconded by Ron Verini, to approve Consent Agenda Item A: Minutes of the Regular Meeting of December 2, 2013; Item B: Bid Award: 2014 Gravel to Valley Paving & Asphalt; and Item C: Approval of the Bills. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 7/0/0.

PUBLIC HEARINGS

Ordinance #2686-2013: Amend the UGA to Include the TVCC Livestock Center; Rezone County URA Agricultural to City Public Facility; Annex the 3.7 Acre Site (1st Reading)

It being the date advertised for public hearing on the matter of Ordinance #2686-2013, the Mayor declared the hearing open. There were no objections to the Council's jurisdiction to hear the action, no abstentions, ex-parte contact, and no declarations of conflict of interest.

Larry Sullivan, City Attorney, stated on February 11, 2013, the Council adopted Ordinance #2674-2013, which amended the City's Comprehensive Plan and established a Master Plan of development for Treasure Valley Community College. The request before the Planning Commission and Council was to approve the Comprehensive Plan Amendment package as set forth in Action 2013-10-07CPAMD; to expand the Ontario Urban Growth Boundary (UGA) to include 3.7 acres to meet identified TVCC Master Plan and Public Facility land needs identified in the Ontario Comprehensive Plan; the assignment of a Public Facility comprehensive plan designation; the annexation of the UGA expansion area to the City of Ontario consistent with Ontario Municipal Code, Title 10B-45-10; an assignment of the City Public Facility (PF) zone to the site; an amendment of the UGA and Comprehensive Plan / Zoning Map from URA Agriculture to City Public Facility; and the annexation of lands to the City of Ontario.

Another issue raised was with regard to the livestock center. By its very nature, it was going to have livestock on it, and under the city's livestock ordinance, anyone who had livestock was prohibited from having them within the city limits. That required a change in the draft ordinance, so it now included a Section 2 that specifically authorized

the livestock center to have livestock on it. That did conform with the Public Facility designation in the city code as it applied to the TVCC Master Plan, which specifically authorized facilities used by the college, and since the livestock center was such a facility, and it was also going to be used for recreational and education purposes, both which conformed to the TVCC Master Plan, that section of the ordinance had been added to allow the possession and keeping of livestock at the livestock center.

Mike Rudd, Planning Commission Chair, opened the hearing for public testimony. There were no objections to the Commission's jurisdiction to hear the action, no abstentions, ex-parte contact, and no declarations of conflict of interest.

Proponents:

Bernie Babcock, Facilities Director, TVCC, stated this action was to connect to sewer and water services. They had been trying for multiple years, as well as working on a facilities plan for the livestock center. They had received some funding from the state last year to do some improvements to the site, one being a restroom resource building, which, when, they started working through the process and starting working with the county, because of some of the limitations and restrictions, they were finding it extremely difficult, if not impossible, for them to connect to sewer. They could connect to city water, but not to sewer. They couldn't put in a drain field or catch basin because of the way the rules were structured. So, through a consultation with the city and through talking with Grant Young, it was concluded the best approach was to annex into the city for those services. They ran a public facility there, and they had been using portable toilets for five or six years, since the interchange was developed, and the state removed their restroom facilities. Since then, they had been trying to rebuild. It fit into the TVCC Public Facility zone, as well as the college zone district.

Opponents:

None.

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

Chairman Rudd stated this piece of property would continue to be used as originally developed, so there would not be a use change that facilitated the request. Also, this fit well into the community.

Rita Kanrich moved, seconded by Ed Susman, to accept the Findings of Fact as presented. Roll call vote: Allen-absent; Kanrich-yes; McLeran-yes; Smith-yes; Susman-yes; Twombly-absent; Rudd-yes. Motion carried 5/0/2.

Mike Rudd moved, seconded by Cindy McLeran, that the Planning Commission recommend that the City Council approve the Comprehensive Plan Amendment package as set forth in ACTION 2013-10-07 CPAMD and further described in the city staff report. This package includes (a) Amendment of the UGA and Comprehensive Plan / Zoning Map from URA Agriculture to City Public Facility; and (b) Annexation of lands to the City of Ontario. The Planning Commission's recommendation is based on the information, findings and conclusions set forth in Sections I through IV, and subject to the conditions set forth in the annexation agreement found in Appendix B. Roll call vote: Allen-absent; Kanrich-yes; McLeran-yes; Smith-yes; Susman-yes; Twombly-absent; Rudd-yes. Motion carried 5/0/2.

Jackson Fox moved, seconded by Norm Crume, that the City Council adopt Ordinance #2686-2013, AN ORDINANCE AMENDING THE ONTARIO UGA TO INCLUDE THE TVCC LIVESTOCK CENTER CONSISTENT WITH THE TVCC MASTER PLAN, AMENDING THE ONTARIO COMPREHENSIVE PLAN/ZONING MAP FROM THE MALHEUR COUNTY URA AGRICULTURAL ZONE TO THE CITY PUBLIC FACILITY ZONE, AND ANNEXING THE 3.649-ACRE SITE, based on the information, findings and facts as set forth in Action 2013-10-07CPAMD and Exhibit 1 in the Planning Commission and City Council staff report, and to approve the request to annex and rezone those properties identified in Exhibit 1-Map 1 and further described in Exhibit 1 – Appendix B, on First Reading by Title Only. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 7/0/0.

Mr. Sullivan stated any acreage discrepancies would be addressed by the second reading.

Ordinance #2687-2013: Amend the UGA to Include 270 Acres for Rail-Dependent Industrial Use; Amend Comprehensive Plan; Apply I-2 Zone; Annex the 278 Acre Site (1st Reading)

It being the date advertised for public hearing on the matter of Ordinance #2687-2013, Mike Rudd, Planning Commission Chair, opened the hearing for public testimony. There were no objections to the Commission's jurisdiction to hear the action, no abstentions, ex-parte contact, and no declarations of conflict of interest.

Larry Sullivan, City Attorney, stated in 2013, the Council approved scoping to move forward with a UGA amendment for rail-dependent industrial lands. On December 16, 2013 the Planning Commission continued the public hearing related to the Comprehensive Plan Amendment package as set forth in Action 2013-10-08CPAMD and the Planning Commission Staff Report. This package includes: a) Expansion of the Ontario Urban Growth Area (UGA) to include approximately 248 tax lot acres and 22 acres of right-of-way (Alameda Street and Island Avenue) and railroad (Oregon Eastern and Union Pacific) to meet identified rail-dependent industrial land needs; b) Assignment of an Industrial Comprehensive Plan designation with a 50-acre minimum parcel size to the 248-acre industrial site to meet site suitability requirements for rail-dependent industrial users; c) Amendment of the Comprehensive Plan (including the 2007 Urbanization Study) to update factual information, tables and policies related to targeted rail-dependent industrial users and land needs; d) Annexation of the rail-dependent industrial site to the City of Ontario consistent with Ontario Municipal Code, Title 10B-45-10; and assign the City Heavy Industrial (I-2) zone to the 248-acre site; e) Annexation of four intervening tax lots (28.1 acres) and approximately 2.3 acres of SW 4th Street right-of-way between the industrial site and the existing city limits and assign Heavy Industrial (I-2) zoning to the annexed parcels; and f) Amendment of the Ontario Transportation System Plan (TSP) to designate SW 4th Street south of SW 18th Avenue as a major collector street and address and mitigate for transportation impacts from the proposed UGA expansion. Several of the attachments had not been received in time for this meeting.

Staff was recommending that the City Council open the public hearing and take public testimony of this consolidated land use application. Upon state agency concurrence with the Public Facilities Analysis, the Transportation Impact Analysis, and receipt of signed annexation agreements, staff was prepared to recommend approval of the land use application. However, because these reports and annexation agreements were not available for public or state agency review prior to the mailing of the staff report on December 9, 2013, staff was recommending that the public hearing for these items be continued until January 21, 2014. This continuance would allow sufficient time for ODOT and DLCD to review and comment on the public facilities and transportation impact analysis, and to allow staff sufficient time to work with property owners to determine their annexation preferences.

Proponents:

Alan Daniels, Public Works Director, stated this action began several years ago after losing some large projects because of the lack of industrial lands. Being rail-dependent was something that would potentially be a lifesaver for Ontario for bringing in industry. For example, the city is now in the final three for a large project, however, that being said, the city still needed to have a variety of lands. He had also been in contact with UPRR's development people, who had some potential projects for the city.

Opponents:

None.

There was no further Proponent testimony and no Opponent testimony.

Cindy McLeran moved, seconded by Ed Susman, that the Planning Commission continue the public hearing on Action 2013-10-08 CPAMD to January 21, 2014. The purpose of this continuance is to allow public and agency testimony on incomplete items in Exhibit 4, Appendices D (Transportation Impact Study), E (Public Facilities Analysis), and F (Annexation Agreements). Public testimony at the continued public hearing will be limited to the above-mentioned technical items and any implications they may have to approval, denial or approval with conditions of ACTION 2013-10-08 CPAMD. Roll call vote: Allen-absent; Kanrich-yes; McLeran-yes; Smith-yes; Susman-yes; Twombly-absent; Rudd-yes. Motion carried 5/0/2.

Councilor Fox asked if was considered ex-parte contact if he was speaking with realtors who might be interested in the property. He had no financial interests in any of the property, and referred questions to the City Manager.

Mr. Sullivan stated there was nothing wrong with him voting on the continuance. They could discuss anything further at the action January 21st.

Jackson Fox moved, seconded by Ron Verini, that the City Council continue the public hearing on ACTION 2013-10-08 CPAMD to January 21, 2014. The purpose of this continuance is to allow public and agency testimony on incomplete items in Exhibit 4, Appendices D (Transportation Impact Study), E (Public Facilities Analysis), and F (Annexation Agreements). Public testimony at the continued public hearing will be limited to the above-mentioned technical items and any implications they may have to approval, denial or approval with conditions of Action 2013-10-08 CPAMD. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Tuttle-yes; Verini-yes; Jones-yes; Cammack-yes. Motion carried 7/0/0.

OLD BUSINESS

2013-2015 IGA for Regional Haz-Mat Emergency Response Team Services

Al Higinbotham, Fire Chief, stated Ontario and the Office of State Fire Marshal had been working together by Intergovernmental Agreement for the Regional Hazardous Materials Emergency Response Team Services. The current contract ended on June 30, 2013. On December 2, 2013, the Council did not approve the 2013-2015 Intergovernmental Agreement and requested more solid figures of actual costs to the City, and tabled the action to December 16, 2013. Termination of the contract would result in approximately \$750,000 worth of equipment being returned to the State of Oregon. (*Separate hand-out*). Further, he handed out a printout which listed everything connected with the HazMat team. Everything on that sheet was in the current budget. On the equipment, the \$360,226, Councilor Tuttle had asked for an itemized list and he was unable to obtain that from the state. Within 30 days, staff would have a complete listing. They had an inventory, but they did not have the figures. That action would have to be done in-house, and it would be done within 30 days, and it would be an itemized list with the values. Regarding the values, when the state purchased equipment for the teams, they usually did it in bulk, and they received a cheaper rate. However, the city was insured for *replacement* cost, so they'd probably be better off doing it in-house anyway, and it would be closer to the actual value. They would adjust the insurance accordingly. Staff was seeking approval of the IGA.

Councilor Fox stated he didn't understand how it went from a \$2,400 cost to the city, to \$42K.

Chief Higinbotham stated that was a worksheet that the Council should never have received.

Councilor Fox confirmed the actual cost to the city was \$42,462.

Chief Higinbotham stated yes; that was the entire building, including utilities, vehicle maintenance, wages, incentives, fuel costs, insurance, straight down the line.

Councilor Fox stated on the hand-out received last Thursday, benefits of the state HazMat team being housed in Ontario, on #8, it read that a Mobile Command Center capable of dispatching police, fire, the entire 9-1-1, that was a mobile unit? He was surprised to hear that because Councilor Verini kept asking about redundancy and no one brought that before the Council during all the 9-1-1 discussions. This was a great thing!

Chief Higinbotham stated yes, it was a communications center within the semi-trailer, and had the capability of phones, including SAT phones and cell phones. They only had to hook into a phone line, and have the phone company patch it in. They could do that at Station Two now, taking the Station Two number right into the truck.

Mayor Cammack asked if they could use that if it wasn't a hazardous material problem.

Chief Higinbotham stated yes, they could. They could dispatch local, such as EMS, police, and fire. There might be some capability to do some outlying areas, such as Nyssa or Vale. They could also page, however, the radio monitoring might be an issue, but they could do everything from the local standpoint. They had used the unit for a mass casualty drill, and taken some of the city's dispatchers and put them in the unit. They dispatched from the unit to ensure everything was functional, and that they could handle the calls from a mass casualty incident. It worked well.

Councilor Tuttle stated his appreciation for Chief Higinbotham's work on this. They had spoken with the insurance agent, and for some reason there had been a mix-up on values. One reason they needed the values on inventory was presently the city was paying insurance premium for \$525K, and they believed \$360K was more in line. That was one of the reasons for doing the inventory. That could adjust the insurance premiums.

Chief Higinbotham stated he had a further conversation with John Forsyth [insurance representative], who indicated that the underwriters would like to see them take the fire department equipment – there was a blanket of \$500K for loose equipment – to inventory each piece of apparatus and put that loose equipment in. It might save the city quite a bit of money. They already had an inventory, and he thought they were close to the values, on the fire side. Those would be submitted to the insurance company to see where the city was. He believed it was going to be a lot better.

Councilor Verini thanked Chief Higinbotham, and all the staff, for a job well done. When they started this action, it was somewhat bumpy, but they had accomplished a lot. He also thanked Councilor Tuttle for bringing up some good points on this issue.

Norm Crume moved, seconded by Larry Tuttle, that the Council authorize the Mayor and City Manager to sign the biennial 2013-2015 Intergovernmental Agreement between the City of Ontario and the Office of State Fire Marshal. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 7/0/0.

Chief Higinbotham requested authorization to go out for bids on moving the repeater.

Council consensus to go out for bid.

NEW BUSINESS

Dork Canal Pipeline Alignment and Grade; Estimated Contribution \$5K

Larry Sullivan, City Attorney stated the City Manager indicated that the Public Works Department was supportive of providing for the costs associated with reviewing the state and federal regulations plus providing pipeline alignment and grade for piping the remaining portion of the Dork Canal from NW Washington Avenue to the southerly right-of-way of Interstate 84.

In association with the NW Washington Avenue project, the Dork Canal was diverted into a 72" RCP [Reinforced Concrete Pipe] from the south property line of the Poole Brothers property to the north side of NW Washington Avenue. Riley Hill would like to pipe the remaining portion of the Dork Canal from the north side of NW Washington Avenue to the southerly right-of-way of Interstate 84. He has requested that the City provide for some of the engineering costs in an amount of \$5,000.

At the work session on December 12, 2013, in response to comments from several Councilors questioning whether the public benefit in piping a canal on private property justified the public expense, Riley Hill requested that, if the Council chose not to approve the funding, that the Council at least give a public endorsement to a proposal to pipe the canal.

Riley Hill, Ontario, stated he wanted to talk about some of the comments that came up at the Thursday work session. The project was about improving our city. It was an entrance to our city. It was a water quality issue, as the Dork went directly into the Snake River at that point. That area was developing, so the area had a significant amount of trash that blew from other areas that got in there, from truck traffic, etc., that went through there, so it became a water quality issue. It was a safety issue. There had been several vehicles that were documented, that had gone into the Dork as it went around the corner right there. It was probably only a matter of time before they ended up with a truck in there, or a fuel tanker. So, they could see the safety issue there. It was also a health issue because of the West Nile Virus we had here, and mosquitos in the area, because it was very slow-moving water. The issue of precedent was brought up at the Thursday work session. It seems to be it's always something the Council needs to consider, but if they looked at what had happened in the recent timeframes, the staff and the city spent significant amount of time and energy on Crest Way/Horning Way and Nadine Drive. Currently, there was Park Boulevard under way, where the city was footing some of that bill. There was lighting at the Plaza Subdivision that was going in. There was curb and gutter put in on Pennington Drive. He couldn't find out the cost of it, but it was still benefitting individual owners. He wanted to make it clear; he did not own any of the Dork Canal land. He was one of five contiguous property owners. Nobody else, the city or no one else, was willing to go look to see if there were grants available. This grant could possibly be in the neighborhood of about \$250K. They had a chance to improve the entrance into our city, and he was hopeful that the city would see it the same way he did. Thank you.

Councilor Fox stated prior to the meeting, he had spoken with City Attorney Larry Sullivan, and had been informed he wasn't in conflict for participating in this action.

Jackson Fox moved, seconded by Charlotte Fugate, that the City Council PUBLICLY SUPPORT A PROJECT FUNDED BY THIRD PARTIES TO PIPE THE DORK CANAL FROM NW WASHINGTON AVENUE TO THE SOUTHERLY RIGHT-OF-WAY OF INTERSTATE 84. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 7/0/0.

Engineering Design Agreement w/Anderson-Perry re North Park Boulevard

Bob Walker, Special Projects Manager, stated this agreement with Anderson Perry and Associates of La Grande, Oregon provided for the preparation of plans, specifications and estimates for the construction of new asphalt pavement, concrete curb, gutter and sidewalk on the west side of North Park Boulevard; the extension of existing water, sanitary sewer, and storm sewer; roadway illumination; and coordination with franchise utilities. In June, 2013, the city's budget was approved for design and partial construction

This project was to provide the engineering design for extending North Park Boulevard from south of NW 16th Avenue to Malheur Drive. The completion of this roadway in conjunction with the recently completed NW Washington Avenue would not only provide a much needed north-south route for the city, but would open the area up for commercial and/or industrial development.

Public Works staff received formal responses to the RFP for this project from three firms on September 18, 2013, from Anderson Perry Associates of La Grande, Oregon, CH2M-Hill of Boise, Idaho, and Holladay Engineering of Payette, Idaho. Bob Walker, Bret Turner, Jerry Elliott and City Councilor Larry Tuttle each reviewed the proposals. Each of the firms presented an excellent proposal and it was obvious that each of them could be successful in

preparing the plans and specifications. However, staff ranked the firms based on schedule, resumes (qualifications of the personnel to be assigned to the project), references and similar projects completed, and locations where the work would be completed. The committee selected Anderson Perry as the highest ranked firm based on their proposal.

The project would be designed to Federal Highway Administration and ODOT standards. Anderson Perry and Associates has significant experience is preparing plans and specifications to these standards and performed very effectively in Phase 1 of the North Oregon Street project and the shelf ready projects they previously designed for the city, which were SE 2nd Street and North Oregon Street Phase 2.

This project was included in the 2014 budget as STR-7 in the amount of \$320,000. The Anderson Perry agreement for design services was a lump sum of \$77,800 with an estimated time and material cost for legal descriptions and exhibits plus environmental services of \$11,700. Funds remaining under this CIP would be utilized for partial construction of the roadway.

Charlotte Fugate moved, seconded by Jackson Fox, that the City Council approve the AGREEMENT BETWEEN THE CITY OF ONTARIO OREGON AND ANDERSON PERRY AND ASSOCIATES INCORPORATED OF LA GRANDE OREGON FOR THE PROFESSIONAL ENGINEERING SERVICES FOR THE DESIGN OF NORTH PARK BOULEVARD FROM SOUTH OF NW 16TH AVENUE TO MALHEUR DRIVE IN THE AMOUNT OF \$77,800 PLUS TIME AND MATERIALS COSTS ESTIMATED AT \$11,700 and authorize the City Manager to sign the agreement on behalf of the City of Ontario. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 7/0/0.

Golf Course Operating Contract Addendum #1 Proposal

Larry Sullivan, City Attorney, stated the consensus of the Council at the December 12, 2013, work session was to put the Golf Course Management Agreement on the agenda for the December 16, 2013, meeting. The proposed Addendum No. 1 extended the Agreement until June 30, 2014, to correspond with the city's fiscal year. From subsequent conversations, a portion of the report distributed to the Council, the portion which read that staff recommended the Council approve Addendum #1 of the Golf Course Management Agreement, that was not correct. Staff was not making that recommendation at this time. It was his understanding, Addendum #1 included as part of the report, was also a document that Mr. McKinney, at this point, was not happy with. Neither staff nor Mr. McKinney, to his understanding, was prepared to move forward with the simple six-month extension of the contract.

Mayor Cammack stated he would allow public comment on this action.

Stephen Meyer, Ontario, stated he wanted to take a few minutes to express his support of the golf course here in Ontario. The city had a wonderful golf course here, but he'd played a lot better golf courses than Ontario, but one thing we had here, was a golf course. When they looked at the course for what it was, as an economic tool, he believed it was invaluable. They'd spent a lot of money on an airport, extended runways, they talked about annexing land and rail spurs and deciding they were going to try and bring people to this town, but what happens was, they fought about whether or not they'd have a swimming pool or whether or not they'd have a golf course, whether they should have either, and it showed anybody who wanted to bring business to this town that they chased their tails all the time. It would change when employees changed, and when Councilors changed, but it was about time when people got together behind something, that at least gave the idea that we were moving towards something. The golf course that we have, at least was repairable, rebuildable, and upgradeable. They had a building they'd already spent money on, with a great kitchen. They had a great practice facility, with a little bit of work. It was just like the swimming pool – it just hasn't had the care over the past 20 years that it should've had. He wasn't going to point fingers at anybody, because it didn't matter at this point. The point being, it was at least salvageable. They were at a time when they could step up and say they were going to support a golf course. Use it as an economic development tool, and show anybody who wanted to come here that we were a town that was moving forward, not one that was moving backwards, not giving back everything that the people in this town cared about. Later, they might very well be able to come up with grant money that would allow them to either repair the

swimming pool or scrap it and build one that all of the kids in town wanted to swim in all summer long. He didn't know. He did know that they had a golf course *now* and getting up and deciding to not support it, spoke volumes to anyone who might consider this town for future business. There were a lot of businesses that had cheaper labor, more skilled work forces, great golf courses and swimming pools that their kids would love to be in, along with better schools. Not that the Council was in charge of that, but we really needed anything they could grab on to, to use as a little bit of leverage, and he believed that the golf course was kind of a stepping stone. They could at least *say* they were moving in a direction people wanted to go. Thank you.

Bob Myers, Ontario, President, Men's Golf Association, stated at Thursday's work session, he mentioned he was there to advocate for the youth. He mentioned they supported two high school golf teams, and they had various things occur with two charter schools, with the youth practicing out there, and a couple of free clinics. He was also informed that they had received a request from Ontario Elementary Schools to provide their facility for a possible Physical Education class. For the girls, in the fall, because they didn't have anything better to do, they couldn't play football, so that was another possibility for the kids. They also provided their facility for tournaments for the high school, and they had put on a tournament year before last that was declined by Payette at the last minute, and they were able to accommodate several high schools from the area at the Ontario facility. Also, he wanted to put to rest the idea of it's us versus them, or the pool versus the golf course. It couldn't be farther from the truth. They had the unique ability in a venue out there to hold fund-raising efforts, to benefit both entities. This idea had been suggested to the membership, and it was very acceptable to those who he had talked with. With the combined support from both entities, they could offset further expenses at both facilities. Both were valuable assets to our community, and all citizens – not just swimmers or golfers – all citizens, young and old. He encouraged the Council to consider that when they were discussing the future of the city's golf course. Thank you.

Dennis Cornwall, Ontario, Secretary of the Men's Golf Association, voiced his appreciation for the chance to speak to the Council about the course and golfers. He wanted to talk about the smile factor. It seemed that in today's world, they had a lot to be stressed about. Smiling was becoming a rare commodity. They worried about the new health care system. He didn't get too many smiles when they started talking about that. They worried about the high unemployment rate. There were no smiles to be had when it came to that. They wondered about countries trying to get nuclear weapons. They worried about terrorism. The list went on and on, of things they worried about, and the dire consequences it had for themselves, their families, and this society. They needed more smiles. All summer long, he enjoyed watching the kids and their parents, enjoying the out of doors in the game of golf. Today, they were there to see if the city's leaders were going to vote on funding the smile factor, also known as the golf course. Through recent years, it had fallen on rough times, due mainly to watering problems that the irrigation system had encountered -- until this year, when Scott McKinney came to the course and discovered the cause of that problem, and the solution. They now knew how to correct the problem. By instituting the infusion system with the N-PHURIC acid, they were positive it would begin to revitalize the course and bring it back to the condition it was 20 years ago, when the Ontario Golf Club was one of the prime courses in the valley. They were so close, but they needed the Council to approve the funds to begin putting the plan into effect. Once they voted to fund the process, the course would begin to thrive, and the activity level would increase. At this present time, they were in the preplanning stages, to sponsor an event called "The Ontario Merchant's Southeast Oregon Amateur" tournament. This was designed to bring golfers from all over the region into our area, to participate in a truly outstanding tournament. It would be high profile, and bring some very-needed revenue into the community. They were also having some discussions with the Elk's, so that they might host an "Elk's Only" tournament, involving other Elk lodges throughout the Northwest. These two tournaments alone could bring in thousands of dollars to Ontario, as well as serve as a showcase for businesses looking to relocate or start new operations. Many other tournaments were already scheduled, and would be held in the future, as they grew their smile factor at the Ontario Golf Course.

Scott McKinney, Golf Course Manager, stated he spent this morning with Brad [Howlett] trying to answer and address all the different issues that had risen. One of the sticklers, he believed, was the capital improvement money of the equipment lease, that would be a four-year lease, if the N-pHURIC acid didn't work. Another thing was the \$25K to purchase the control system and three or four satellites. One of the tough things in doing this, that he'd struggled with all along, was trying to figure out how to do a calendar year budget when the city was on a fiscal year budget. That was where the six-month idea came from. But, in looking at the numbers, there was no way he could operate on a six-month budget and then close it down. He had to have a guarantee of one year of funding. They did remove the \$25K in the sprinkler system. For the N-pHURIC acid injection system of \$6,500, they were paying for that out of the...they had six months budget left to June 30th, so they were going to pay for that out of that \$25K or whatever was left. That would not be part of next year's budget. It would be the acid, but not the injection system. Deducting out the sprinkler system controls at \$25K, and the N-pHURIC acid at \$6,500, they arrived at the 2014 season funding breakdown, so the \$221,500 he was operating under, he decreased that figure to \$182,500. Payroll expenses remained the same, season costs were \$337,500, projected revenues were at \$150K; and city funding decreased to \$187,500 for the calendar year 2014.

Continuing on, the next section was the payment schedule. Because they only had "x" amount of money to work with until June 30th, the payment schedule was two payments of \$18,750. Then the new budget would begin and payments would increase to \$75K in two payments. That totaled the \$187,500. In working with the Budget Committee next year, they could get the following fiscal year taken care of, if they could find the funds.

Councilor Jones stated in the numbers presented, based on the \$187,500, if the proposed contract was approved that evening, they were then relying on the Budget Committee to approve it. It would be nice if the Budget Committee approved the \$150K, to continue on with operations.

Mr. McKinney stated it would be difficult to cease operations in the middle of the year. It would just be tough. This was aligning his contract. His contract would be negotiated and would start with the fiscal year.

Mayor Cammack stated the first two payments, the two \$18,750 payments, was that new money or money that was already there?

Mr. McKinney stated the money was already there in the current budget.

Mayor Cammack verified the only new money would be the two payments of \$75K each.

Mr. McKinney stated that was correct.

Mayor Cammack stated \$150K was for half a year, then. How much would he need for the front half of 2015? Two more \$75K's, or?

Mr. McKinney replied no. He carried those numbers out into 2015. The operation expenses increased a little because he added back in the sprinkler system. That was \$207,500. The scheduled payment would fall in line of four equal payments of \$53,125. It was off this year, but the payments would equal out.

Councilor Fox stated if those projected revenues increased, would that lower the costs to the city. If the N-pHURIC acid worked, projected revenues should increase.

Mr. McKinney stated he would then write himself a paycheck. That could be negotiated.

Councilor Crume stated when the Council asked Mr. McKinney what it would take to run the golf course, he brought back a proposed 5-year contract; now it had been changed. He didn't see Mr. McKinney's desire to redo the holes. Was that still in his long-range plan? He indicated he wanted five years or not at all. That caused him some confusion.

Mr. McKinney stated he wanted to see capital improvement money put into the golf course. His five year plan didn't go over well. He was asked if they could use up this budget, and get down the road to see if the N-PHURIC acid was going to work, and to see if the economy turned around. He eliminated the big projects and presented a two-year plan. That would be the actual numbers. As they did this, depending on revenues, because they would have their base built on the sprinkler system, they could seek out what needed to be rebuilt. After a few years with soil improvement and better watering, they might have some turf coming back on its own.

Councilor Crume stated Mr. McKinney stated the need for the new mowing equipment because existing equipment was dilapidated, and was tearing up the course, so how was he going to operate for two years without new equipment?

Mr. McKinney stated he removed the equipment lease, but kept the \$35K in equipment purchase. He'd look for some good, used equipment to purchase for under the \$35K. He'd have that to use in both years. It was a compromise.

Councilor Crume stated this led him to believe that Mr. McKinney might have been talked into dumbing the contract down to not what he originally wanted to do.

Mr. McKinney stated he had scaled back on his wish list, but he believed it could still be done.

Councilor Verini stated when Mr. McKinney had appeared before, he asked if he would work with the Council, and he was very impressed with the proposal and the projections, and the fact that the Council had a chance to see if the system actually worked. They also had a commitment from the Golfer's Association that they were going to step up and solidly back the course. With that, along with maybe that this might really work, they could bring back some of the players they'd lost. Maybe working with the school, bring in new players, that would make this a positive economic factor for the community. It was a sales tool.

Councilor Crume stated to Brad [Howlett] that he'd mentioned before there were owner's fees to go along with fixing pumps, bathrooms, or whatever, so was that included?

Brad Howlett, Facilities Manager, stated those were on the spreadsheet they'd just received. In 2014, the funding level would remain the same, at \$50K, with the exception of the retaining wall. Mr. Walker priced that out, and it would be approximately \$13,800. The ADA issues regarding the bathrooms would remain unaccounted for at this time. In 2014, it would be a total of \$63,800 for landlord costs. Those costs needed to be added to the city funding, which would then reflect the total out of pocket expenses to the city.

Councilor Crume stated the first year, based on Mr. McKinney's figures, was \$187,500, with an additional \$50K to add in?

Mr. Howlett stated it would be an additional \$63,800 for 2014.

Councilor Jones stated going into the new budget in May, 2014, the Council would be asking the Budget Committee for \$310K, to get them back around to June 30, 2015.

Mr. Howlett stated it would be approximately \$251,800.

Councilor Jones stated not if they included the landlord costs. It would increase.

Mr. Howlett stated it was the \$187,500, plus the \$63,800.

Councilor Jones agreed, \$187,500, taking them to December, then back around with two more payments in January and May of 2015, at \$53K. If they moved forward in May in the budget process, the way it was being presented, those numbers were going to be presented to the Budget Committee. Added up, those were over \$300K.

Councilor Crume stated they talked about the restrooms, and there had apparently been a discussion held that he had no information on, but they had been told the restrooms needed to be fixed to open up again, so....

Mr. Sullivan stated he had researched the issue a little, but it was still preliminary. He hadn't researched the number from when work was done before. The ADA rules read that the repairs had to be done if they could be done for no more than 20% of the original renovation costs. If they took the original renovation costs, and figured out what 20% of those would be, the city's obligation would have been to have spent that additional 20% to bring the restrooms into compliance if that was feasible. He sent Jay Henry an email about this issue, but he hadn't pursued it any further yet. It appeared that if that analysis was correct, the city might not be required to install ADA compliant restrooms because there was no way it could have been done for that 20% of the original renovation cost.

Councilor Crume asked if they would have had to spend up to that 20%?

Mr. Sullivan stated no, not if spending that wouldn't bring it into compliance. The ADA didn't require a city, or any public entity, to do a half measure to spend some money if the result of that funding wouldn't bring about ADA compliance.

Councilor Crume stated it was his recollection that they spent about \$80K on that renovation to the kitchen, so that would be about \$16K, and the bid was \$15K to do the bathrooms.

Mr. Sullivan stated that would be true, then, if it could be done for that 20%. He hadn't had a chance to look at the budget. If it could be done for the 20%, that would have to be spent. If the original renovation was \$80K, if the restrooms could be brought into compliance for \$16K, it would be the city's obligation to spend that money.

Councilor Fugate stated they also discovered that there were two bathrooms on the course.

Mr. Sullivan stated that would not cover it, because it had to be the restroom facilities that were servicing the area in which the renovation was done.

Mayor Cammack stated it seemed to him that in the last meeting, Mr. McKinney had stated, or implied, that for this golf course to really do well in the future, the rebuild had to take place. Was that correct?

Mr. McKinney stated yes, but the way they could do it, was to do a certain number of holes per year, or any thousands of different ways to look at it. The five-year option he presented to staff was his projection of how it could be done as quickly as possible in that five-year period.

Mayor Cammack asked how quick he thought it needed to be done.

Mr. McKinney stated the logistics were pretty daunting on figuring out how to rebuild and stay open at the same time. That's why he chose the three to five year projection. He wanted to get in there and get it completed. It depended on how quickly they wanted it done.

Councilor Jones asked Mr. Long the total budget for the golf course.

Mike Long, Finance Director, stated it was \$125K.

Councilor Jones stated the budgets in the past had been \$300K for the course. They'd scaled that back \$100K. In looking at the numbers, the Budget Committee was going to be shell-shocked at \$300K+ for the course. It appeared to him they were lean going into this next six months. They were lean to begin with. He'd like to entertain the idea of taking some of the money in this fiscal, the \$60K, to give Mr. McKinney a better start, and that started the process of the \$53K in four payments...to him, the \$200K was a magical figure. Could it work, and would the Budget Committee approve it or accept it? There was maybe more of an opportunity to take a little bit of that money out of the budget somewhere and put it in this fiscal, to relieve that \$310K figure on the following budget, just to have a possible opportunity to move forward. He assumed they'd have to call a Budget Committee meeting to find that additional \$60K – was that correct?

Jay Henry, City Manager, stated another thing they'd like to think about was currently they had budgeted \$125K per year for the course, coming out of the General Fund. That's what the budget was built around. If they used Councilor Jones' number of \$310K for a year, to go before the Budget Committee for the upcoming year, and took the \$125K, that left \$185K in the GF that they'd have to find. Staff wasn't opposed, but they needed suggestions on where to find that money. They could take it from Operating Contingency, but that was a finite resource. They would need to look to where they could bring that money in from other departments.

Councilor Crume stated this would be long, but it was heartfelt. He wanted to do this honestly and openly to everyone. He had been on the Council for five years, and had looked at the golf course every year when budget came up. When he first started, he heard rumors in the past about how tough it was for the city to finance the golf course, and the reasons on both sides to do it or not to do it. But he left those aside, and tried to study for himself on what the actual facts were, and to not listen to anyone else's history. In those five years, he had gained a lot of experience in what had occurred at the course. The thing that kept coming back to haunt him was why did it cost so much money, why does everyone, including Mr. McKinney, struggle in trying to make a living out there. It boiled down to two main factors – it was the position of where the golf course was. The course was in an alkali flat, which made the ground hard and hard to grow things on; and the pH level of the water is terrible. Since its conception, the city had fought those issues. When the irrigation system was installed, it was told to the Council and/or staff at that time, that it needed the injection system, and they could only assume why they didn't choose to do that. He could only guess that they didn't have the money. He believed that was what they'd been beating their heads against all along, was that the city had done two things – they had done both the aquatic center and the golf course an injustice for the past 30 years. There hadn't been enough money to go around for both. So, did they just do one? If so, which one? It had been difficult to make that decision, and with situations like this, there were a lot of emotions flowing around. Sitting on the Council, he had to put the emotions aside and go by the facts as presented to him. The facts were that the city had spent a lot of money at the golf course, and it was always that more needed to be done. When the Council spent half their time Thursday trying to find a way to cheapen things up to make it more palatable, they were just kicking the can down the road. It hadn't worked in the past, and he was pretty sure it wouldn't work now. The only way the golf course was going to succeed was to have enough money put in it to make it flourish. Then came the point of whether or not the city could afford it. What they had spent over the past 10 years was an average of \$173K spent; in the last five years, it had been \$243K, and they were still asking themselves the same questions and seeing the same problems. They upped the ante, and they still had exactly the same problems. At the Aquatic Center, they'd spent an average over the past five years of \$108K per year. Sitting in his, his job was to do the best he knew how with the money provided. They just heard the City Manager make some comments, if they were going to do this, where would they find the money. He knew that was a problem. Mr. McKinney had been asked what his wish list was to make the course work, and because of the pressure, it had been decreased, but he wasn't sure if that would do Mr. McKinney, the course, or the city, justice, by not doing what honestly needed to be done. Mr. McKinney put out a budget on what truly needed to be done. With landlord expenses, they were at \$251K for the first year, and \$260/70K the next year, but what after that? The holes needed to be rebuilt, the Council knew a pump would fail, and that the bathrooms needed to be fixed eventually, and it was just more and more money. For him, coming to the vote, his vote would be a no vote simply because of the economics. With the safety issues before the city regarding crime in this town, and the possibility of working with the Aquatic Center, which, if it did, he believed it would go to a vote of the public, rather than seven members voting to spend nearly \$300K a year to operate it. That hadn't been discussed yet. Giving the public the ability to say yes or no, and the way this issue had been discussed, the public didn't have the

ability to say yes or no to virtually the same type of expenses. He believed that to move forward, to spend this level of money, was doing the citizens an injustice by not having their opinion put into the action. For those reasons, he would be a no vote, unless there was something different presented. Last year, he voted yes and a statement was made in the paper that it was too good to be true, and it was. They all jumped on it fast, knowing they'd never seen anything that cheap before, and thankfully Mr. McKinney made it through it. Good job. But the reality was that they couldn't keep running it at \$125K. He didn't see that the city could afford it with what was coming up in the future. For those reasons, fiscally, he didn't believe they could afford it.

Mayor Cammack stated he'd been involved since 1996, excluding his short hiatus. Every year, they had the same discussion. It wasn't just about the budget, but also about who was going to run the course. They tried to get improvements made, and people to run it. He believed a good person was running it, and he'd done a great job, but there was still the money issue, and it wasn't going to get any better. It was actually going to get worse. He'd had good times at the course, and he knew of the good things that the course did for the community. Those would be missed. But those monies didn't come back into the city's coffers, to support the course. Those were great to have, and were needed for the community, but they had to take the emotion out of it and just look at the numbers. Next year, whoever was on the Council, they'd be talking about the same thing and the same problems. And next year, it would be even bigger, because they'd be into the rebuild.

Councilor Verini stated if they moved forward with this, would the Council know after the next year, at the end of the season, whether or not the chemical application was working?

Mr. McKinney stated he believed they would. He had no doubt that by the end of the year they'd know one way or the other whether it was doing the job it was intended to do.

Councilor Fugate asked what the plan would be if it didn't work.

Councilor Jones stated it would be over.

Mr. McKinney stated that was a tough question, but if the pipes didn't get cleaned out, it would be impossible for anyone to operate, with the existing conditions.

Councilor Verini stated this was the one opportunity the city had to move forward. It either worked, or they closed the golf course.

Councilor Jones stated they could take that, with the \$10M investment that was already there, it was green, they had a concessionaire willing to step forward, they had some clubs willing to help Mr. McKinney, and it made him squirm to talk about this amount of money, but it made him squirm worse to walk away right now. To him, he was willing to take the beating he'd get from non-golfers, but he was willing to try one last time. They had a plan that might work. It was \$60K every quarter to start this outright, to get the equipment in place, to inject, it was adding a little more money to this year's budget. Coming back to this Thursday's comments – they ran a proposal that was done December 31st, and if it worked, they had a better chance of proving to the Budget Committee that they were on the right track, and if it didn't work, they gave it their best shot. Then it was done. To pull out right now, it would be gone, and they'd never get it back.

Councilor Fugate stated if Mr. McKinney made the improvements and increased the membership or golfers use, what was the city's benefit to that? The city still had to spend all that money.

Councilor Jones stated they would negotiate at the end of next year. It was going to take time to rebuild. When they saw the revenue coming in, and they'd see the play increase, they'd see the course improve, then they'd talk with Mr. McKinney about renegotiating his contract to back the dollars down. It would be time for the city to ask for relief.

Mr. McKinney stated that was the end goal, to reduce city funding as much as possible over a period of years, but he needed help out of the gate. He couldn't get started without city assistance. At the end of next year, they'd know a lot more. He'd only been out there since March 1st. It was 177 acres, with a lot of issues. It was going to take three years to get a real handle on what was going on out there. If the Council said no, the course would be gone by May or June. The greens were critical. They had to be there every day to take care of them. There were a lot of things that needed to be dealt with daily. He was asking for an opportunity to try, and to have some breathing room. Get another year under his belt. He backed off on the numbers because he knew the numbers were not good. He understood that, so he sharpened the pencil to try to get the bare minimum of what was needed to try and make this work.

Councilor Fugate stated Mr. McKinney lost money last year; was he prepared to lose money again?

Mr. McKinney stated he was optimistic. He didn't want to lose money again. He wanted the revenue projection of \$150K to be met or to increase. If it went over \$150K, they could split or whatever. He was invested in this project. He was willing to put in the time to get this to work. But, they needed the city's help.

Councilor Jones verified the acid system would start right when he started irrigation.

Mr. McKinney stated yes. He'd get with Mr. Ozawa and begin to get the injection system installed in February or around there. When the weather broke, they'd start pumping through the system. He wanted to put a big charge of acid in and pump it out to flush out the end laterals in different areas. He wanted to get the acid in there and let it settle, then flush again. He had membership volunteers to help.

Mr. Sullivan stated when he put together Addendum #1, it was without anyone having the benefit of going in and adding in the numbers. That Addendum #1 wasn't operative. He would have to take the projected budget and turn it into a contract document and the decision the Council would need to make would be if the Council wanted to move forward with this budget, was whether they wanted to have that contract brought back to the Council, or have it be subject to City Manager approval, if the contract could be done for the cost that were projected in this budget.

Councilor Fugate stated the Council couldn't know what the Budget Committee was going to do, so how could that be included?

Councilor Jones with the statement just made, there were no increases in the budget this fiscal year.

Councilor Fugate stated she thought he wanted another \$60K.

Councilor Jones stated that wasn't offered, but it still needed to be discussed.

Mr. Sullivan stated it was up the Council how they wanted to handle this. There was standard language that went in a lot of public contracts, that it was all contingent upon the availability of funds. Public bodies that were providing public funds had a right to terminate a contract if public funds were not available. That language could be put in a contract between the city and Mr. McKinney. He would have to weigh the risks that he might not get budget approval for the increases in the projected budget. He might not find that an acceptable risk.

Councilor Jones asked about Mr. McKinney and the City Manager signing a contract, and adding in that due to the members of the golf course, and to the concessionaire, that there would be a meeting called for the Budget Committee and they discussed...they needed to face reality. The only way this course had a chance was to start out the gate, and it had to be funded. But, with the Budget Committee either voting to pass or fail, he'd be in favor of asking for more money to put in this year to show that the Council was willing to give it a 12-month calendar run, so Mr. McKinney could sell the passes and work for 12 months. When they went into the next budget, everyone would then know what the game was, and whether that number was sixty or eighty thousand for this year, that

was reality. He thought there was more of a chance to get that approved for another six months, for another \$100K, for the last six months from the next Budget Committee.

Mayor Cammack asked if Mr. McKinney needed the money ahead of time.

Mr. McKinney stated he could make it work. With the two payments of \$18,750, plus membership money, it would fund it through July 1st. Then the two payments of \$75K would make the end of the year work.

Mayor Cammack confirmed it would work just the way Mr. McKinney had it written; there would be no need to move any money forward.

Mr. McKinney stated yes, if they could sell enough memberships.

Councilor Fugate stated that was one of the problems. If they didn't fund it through the end of the year, then the membership might not want to purchase a new season pass.

Mr. McKinney stated that was correct. That's why he wanted that second half of funding to go through the calendar year.

Councilor Fugate stated the problem with that was that the Budget Committee wouldn't meet until May.

Mayor Cammack stated that was why he questioned if the \$60K was needed earlier. If it wasn't needed, there wasn't a problem.

Councilor Jones stated it would also allow them to finagle the budget a little this year, to put a little money in there to add to it. It also gave faith that they were giving the course a run for twelve months, and it would take some pressure off the new Budget Committee going forward. It was pulling a little to feed it a little. They needed to focus that they were going to feed this for twelve months. Say March 1st was the start of the golf season. They had to figure out a game plan up or down. Make this work or not. It was grabbing the bull and getting the Budget Committee together to see if they could find \$50K or \$80K to put into this. That gave everyone faith the Council was in this.

Mr. Sullivan stated his suggestion would be if the Council was in favor of approving a contract based upon the presented budget projections, the motion would be to authorize the City Manager to enter into a contract with Mr. McKinney for the 2014 golf season, based upon the projected budget in Exhibit #1 for the 2014 budget year.

Jackson Fox moved, seconded by Ron Verini, that the City Council authorize the City Manager, based upon Exhibit #1, to reach a Golf Course Management Agreement with Scott McKinney, extending the Agreement to December 31, 2014. **NO VOTE.**

Councilor Fugate asked for a recap on how much total money the city would expend this coming year, through the end of December, 2014.

It would be \$237,500. ***(Incorrect amount. Should be \$251,300. Should be \$187,500 base, \$50K equipment repair above \$300 in cost; and \$13,800 to bring restrooms ADA compliant and to construct a retaining wall. Correct amount reflected in 01/06/2014 minutes)***

Councilor Crume reminded everyone that they had just given authorization to the Police Chief to hire another police officer due to the drug problem, which would be around \$80K. If this action was approved, that would double the amount approved last year for the golf course. The city was going to struggle during budget time if this passed.

RESTATED MOTION:

Jackson Fox moved, seconded by Ron Verini, that the City Council authorize the City Manager, based upon Exhibit #1, to reach a Golf Course Management Agreement with Scott McKinney, extending the Agreement to December 31, 2014; continuation of the Agreement will be contingent upon availability of public funds to fund it for that period of time. **NO VOTE.**

Mr. McKinney verified he would start his year out, and then if the funds weren't available, if they didn't come up with the funds...

Mr. Sullivan stated that wasn't necessarily the case. The city had a right to increase the budget up to 10% without having Budget Committee approval for the entire General Fund.

Mr. Long stated if they wanted to increase the subsidy the General Fund was giving during the remainder of this fiscal year, through June 30, 2014, they did not have to have the Budget Committee make that decision. They weren't increasing the overall budget; they were reallocating the funds from the General Fund. In the next year, they'd put the remaining money with the Budget Committee. They'd probably like to bring the Budget Committee up to date as to where the budget was at. At that time, they could inform them of what the Council was planning to do. They did not need the Budget Committee to approve any addition fund increases in this fiscal year because the Council already had that authority. That could be done by a resolution. He suggested waiting to move the money until it was actually needed.

Mr. Sullivan stated the answer to Mr. McKinney's question would be if the Council approved the motion before them now, it would be the Council's responsibility to find that money, whether or not the Budget Committee approved it.

RESTATED MOTION:

Jackson Fox moved, seconded by Ron Verini, that the City Council authorize the City Manager, based upon Exhibit #1, to reach a Golf Course Management Agreement with Scott McKinney, extending the Agreement to December 31, 2014; continuation of the Agreement will be contingent upon availability of public funds to fund it for that period of time. Roll call vote: Crume-no; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-yes. Motion carried 6/1/0.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Jay Henry passed out a copy of a letter sent to the Auditor's in response to their draft report. Give him a call with any questions.
- Larry Sullivan stated after the discussion about the rail-dependent lands public hearing, Councilor Fox inquired if he had to be concerned about a potential conflict of interest or ex-parte contract. He had subsequently been informed by Grant Young that that particular zoning issue was a legislative zoning issue, involving a large number of properties, and because of that the ex-parte contact rule didn't apply. Therefore, there was no requirement for avoidance of ex-parte contact when dealing with large scale zoning changes.
- Councilor Fox stated it had been some time, and he wanted staff to tell them what was being done and where they were at on the water and sewer billing to the prison. Secondly, he didn't understand how come the RFQ for the water works, the Council directed the City Manager to do an RFQ out just the water, and now they were being told by Bob Walker that it was global on all Public Works, and the City Manager said he'd done that. He wanted an update on the RFQ and the prison billing.

Mr. Henry stated with regard to the prison billing, he'd get back with the Council on that; on the RFQ, it was his understanding that the Council wanted to see a more global response. In any case, no damage was done. The RFQ was supposedly written so that anyone could bid on just a single part of it if they wanted. If the Council wanted to direct staff to make it for just the water, that could be done.

Alan Daniels stated the RFQ draft was done, awaiting City Manager review. He would have it on the City Manager's desk before the end of the week.

Councilor Tuttle asked about the date the RFQ would go out.

Mr. Daniels stated that would be up to the Council.

Mr. Henry stated if Council wanted changes made to the RFQ, that would slow it down. If they wanted it sent as presented, it would go out more quickly.

Mayor Cammack stated he didn't anticipate anyone wanting to change it. It was all valuable information.

Councilor Fox asked for a date on the prison billing.

Mr. Henry stated he would have a response to the Council by the next work session, if that was soon enough. He didn't know if they'd have a date by that time.

Councilor Fox wanted to nail this down.

Mr. Long stated once Bob [Walker] had the numbers for the formula, they'd put the bill together pretty quickly. Mr. Walker was digging out all the information from the computer.

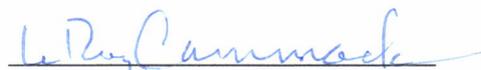
- Councilor Jones thanked Councilor Tuttle for his thorough digging into the Haz-Mat issue, and for working with Chief Higinbotham and Mr. Henry. It was a job well done. Also, about two months back, Mr. Henry announced that he had offered an ex-employee a possible position at the Water Department, and was curious as to the status of that.

Mr. Henry stated the State of Oregon and PERS reared up and the individual had to decline the offer after he had verbally accepted. It would have impacted his PERS retirement.

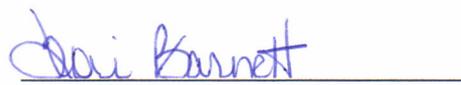
ADJOURN

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

APPROVED:


LeRoy Cammack, Mayor

ATTEST:


Tori Barnett, MMC, City Recorder