

**COUNCIL MEETING MINUTES
August 2, 2010**

The regular meeting of the Ontario City Council was called to order by Mayor Joe Dominick at 7:00 p.m. on Monday, August 2, 2010, in the Council Chambers of City Hall. Council members present were Norm Crume, Joe Dominick, Charlotte Fugate, John Gaskill, Susann Mills and David Sullivan and Ronald Verini.

Members of staff present were Henry Lawrence, Tori Barnett, Larry Sullivan, Rachel Hopper, Bob Walker, Lisa Hansen, Julia Rodriguez, Veronica Pantaleon, and camera operator Erika Hopper.

Charlotte Fugate led everyone in the Pledge of Allegiance.

AGENDA

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

CONSENT AGENDA

Mayor Dominick recused himself from action on the Consent Agenda as his business would receive payment upon adoption of the bills.

Charlotte Fugate moved, seconded by John Gaskill, to approve Consent Agenda Item A: Approval of Minutes of regular meeting of 07/19/2010; Item B: Resolution #2010-130C – Correction to Resolution #2010-130 Approving Reallocation of \$2,340 within the General Fund for Purchase of Dog Lodging Services; and Item C: Approval of the Bills. Roll call vote: Crume-yes; Fugate-yes; Gaskill-yes; Mills-yes; Sullivan-yes; Verini-yes; Dominick-recuse. Motion carried 6/0/0/1.

OLD BUSINESS

Snake River Transit Routed Service Update

Loni Debban and Terri Lindenberg, Snake River Transit Routed Service, were in attendance to provide additional information to the Council, as requested at the previous Council meeting.

Ms. Debban had distributed a hand-out, which addressed the budget.

Councilor Sullivan stated he wanted to be able to determine the entire operating budget of the organization, both Oregon and Idaho.

Ms. Lindenberg stated they contracted with MCOA for the Oregon portion, in the amount of \$142,669. That was broken out into monthly payments. In addition, Oregon paid out \$10K in fuel, and received approximately \$10K in revenue. The cost for Oregon service was approximately the \$142,669. It also included the contract labor, including benefits.

Councilor Sullivan stated in the contract labor expense of \$83,893, was that just driver wages and benefits?

Ms. Lindenberg stated yes.

Councilor Sullivan stated the payroll expense was at \$41,579; what was that for?

Ms. Debban stated that was an ADA feeder service that ran round-trip from Vale to Ontario, so that was wages for that additional run.

Councilor Sullivan asked where she and Ms. Lindenberg were paid from?

Ms. Lindenberg stated it was out of the \$142,669. All of the expenses fit into that rate – the fuel, the maintenance, the administration, etc.

Councilor Sullivan asked where the administrative fee was.

Ms. Lindenberg stated it was under the \$43,888, which included all the positions within Snake River Transit.

Councilor Sullivan stated the Council had asked to see the entire financial statement, for both sides, and he kept getting pieces. He was finding it difficult to put it all together to determine if it was a good investment of \$30K of tax payer dollars. He wanted to see a full-blown financial statement of the entire operation, showing the break-out of labor, and Ms. Lindenberg's income, over and above the labor.

Ms. Lindenberg stated it was all in the document.

Councilor Sullivan disagreed.

Ms. Lindenberg stated the ridership on the Oregon side from July 2009 through June 2010, was 17,117 riders. The income on the Oregon side was \$9,696.75 for the fare box and contract income.

Councilor Sullivan stated that was only about 55% of the total fares. He wasn't going to speak for the Council, but he was interested in breaking the expenses down into what they actually were. He wanted to see what the fee was that was paid to her group, and whatever else was in there. He wanted to know exactly where the funds were going.

Mayor Dominick stated ODOT was providing, in 2009-2010, \$109K to operate. From that, they also received \$45K from other sources. Because of the low amount of income from ridership, each ride was still costing tax payers approximately \$6 each. Both ODOT money and the City's contribution came from tax payers, so the bottom line was that each ride still cost about \$6 per ride.

Ms. Lindenberg stated for the \$142K, she broke that out by the Ontario \$30K, and subtracting that from the \$142,669, then it was \$112,669, which was either federal or non-Oregon funds. That came out to \$6.58 per passenger. The City of Ontario was subsidizing the service by \$1.75 per passenger. But what they were bringing into the community on the federal level and the other portion was actually the \$6.58.

Councilor Sullivan stated he understood that, and he was in favor of it, but when he looked at the numbers, he wanted to make it tight so it was understood and when he was asked questions as to why Ontario paid \$30K a year, he could answer accurately. He was satisfied with their report; however, he would like to receive a P&L for the entire Oregon operation. He wanted to make sure the program ran effectively and efficiently. If there were problems in the future with respect to finances, they could look to areas that could be reduced.

Councilor Verini stated the veterans and veteran dependents were very appreciative of the service, and were looking forward to the start of the Vale and Boise routes.

Council directed staff to disburse the \$30K payment to Treasure Valley Transit for the next year.

NEW BUSINESS

Resolution #2010-134: Transfer Funds for Fire Station Storage Building Construction

Rachel Hopper, Finance Director, stated a new fire station storage building was to be built on city property by MVCI, LLC of Ontario, Oregon. The building would be used for the storage of fire trucks, hazardous materials response vehicle with trailers, and various other pieces of fire equipment. In October 2009, the Council approved a resolution to hire an architectural firm to prepare plans and specifications for the design of a storage building. At the next council meeting, that resolution was rescinded in order to pursue the design-build process as an alternative to traditionally used design-bid-build method for completion of the work. In June 2010, the Council authorized the City Manager to sign the design build agreement with MVCI, LLC, of Ontario, Oregon, for the construction of a 5-bay fire station storage building for a guaranteed maximum price of \$485,300. Also in June, the Council approved Resolution # 2010-118 which authorized a reallocation of expenditures within the sewer fund to extend sewer services to SW 4th Avenue and SW 33rd Street. Passage of Resolution #2010-134 would reduce the General Fund Fire Department Debt Service by \$69,128 and increase transfers in the Fire Department by the same amount, leaving a Debt Service balance of \$69,128. The project was proposed to be completed within the Special Projects Department of the Capital Projects Fund with revenues from the General Fund transfer, Rural Fire District Contributions, and the project balance thru loan proceeds to be procured at the completion of the project. Should the project be completed under the proposed budget allowance, requested loan funds would be modified accordingly.

| | |
|----------------------------------|---------------------|
| TRANSFER FROM GENERAL FUND-FIRE | \$ 69,128.00 |
| RURAL FIRE DISTRICT CONTRIBUTION | \$105,000.00 |
| FIRE BUILDING LOAN PROCEEDS | \$361,172.00 |
| | <u>\$535,300.00</u> |

John Gaskill moved, seconded by Susann Mills, that the Council adopt Resolution #2010-134, A RESOLUTION AUTHORIZING A REALLOCATION OF EXPENDITURES WITHIN THE GENERAL FUND FIRE DEPARTMENT AND IDENTIFYING PROJECT REVENUES AND EXPENSES WITHIN THE CAPITAL PROJECTS FUND FOR THE CONSTRUCTION OF A FIRE STATION STORAGE BUILDING. Roll call vote: Crume-yes; Fugate-yes; Gaskill-yes; Mills-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

Cost of Living for Non-Represented Employees

Rachel Hopper, Finance Director, stated the City's non-union employees had, over the last several years, received cost of living increases as approved annually by the City Council. The 2009-2010 cost of living increase for the non-union employees was set aside until the City's labor contract with the Police Union could be finalized. The Police Union contract that expired June 30, 2009 was not renegotiated with the new union and adopted by the City Council until June 2010. Staff was now seeking City Council discussion and approval of those non-rep increases. In December 2008, the City Council passed a cost of living increase of 2% for the City's non-union personnel to be retroactive to July 2, 2008. In June 2010, the Council approved a three-year contract with the city's Police Union which was retroactive to July 1, 2009. The City's various union groups have agreements that would cover three to four year periods which spelled out their salary and benefit changes. The non-represented or non-union employees were handled differently, first based upon the terms of a Council resolution, and more recently annually as presented to the City Council by the City Manager.

The hand-out titled 'Cumulative Wage Increases by Labor Group' demonstrated the difference in salary increases between the City's labor groups and also compared them to Social Security and the Consumer Price Index; however, the table did not reflect the City's payment of the employee's share of the Public Employee's Retirement System on the employee's behalf that was paid for each of the union groups and was not paid for the non-union employees. The table further does not reflect a value placed on one-time performance incentive payments made to non-union employees based upon their annual performance evaluation scores.

The City Council was being asked to review the information provided regarding non-union salary increases as compared to the other employee groups, and to consider a cost of living increase for the 2009-2010 and 2010-2011 fiscal years. The Council was also asked to consider and approve a retroactive increase as was done for the non-union employees in 2008, and for the police employees in June 2010, as the delay in requesting the 2009-2010 increase was tied to a delay in finalizing police negotiations. Staff prepared a number of alternatives for the Council to consider when making its decision.

Alternative A:

The Council could approve a retroactive cost of living increase for the non-union employees in the following amounts which would have the following financial impact on the city's various funds:

Option 1 – a 2% retroactive cost of living increase for 2009-2010 and either a 2%, 2.5%, or 3% cost of living increase for 2010-11.

| Alternative A-1 | | | | | | | |
|--------------------------|-------------------------|------------|-------------------|-----------|---------------------|-----------|-------------------|
| | 2% 2009-10 Retro | | 2% 2010-11 | | 2.5% 2010-11 | | 3% 2010-11 |
| General Fund | \$ 23,440.21 | | \$ 23,909.02 | | \$ 29,886.27 | | \$ 35,863.53 |
| Public Works Fund | \$ 5,213.15 | | \$ 5,317.41 | | \$ 6,646.76 | | \$ 7,976.12 |
| Street Fund | \$ 1,365.90 | | \$ 1,393.22 | | \$ 1,741.52 | | \$ 2,089.82 |
| Water Fund | \$ 700.48 | AND | \$ 714.49 | OR | \$ 893.12 | OR | \$ 1,071.74 |
| Sewer Fund | \$ 700.48 | | \$ 714.49 | | \$ 893.12 | | \$ 1,071.74 |
| PW Related | \$ 5,035.78 | | \$ 5,136.50 | | \$ 6,420.62 | | \$ 7,704.75 |
| Total All Funds | \$ 36,456.00 | | \$ 37,185.13 | | \$ 46,481.41 | | \$ 55,777.70 |
| Cumulative Effect | \$ 36,456.00 | | \$ 73,641.13 | | \$ 82,937.41 | | \$ 92,233.70 |

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Option 2 – a 2.5% retroactive cost of living increase for 2009-2010 and either a 2%, 2.5%, or 3% cost of living increase for 2010-11.

| Alternative A-2 | | | | | | | |
|-------------------|--------------------|-----|--------------|----|--------------|----|--------------|
| | 2.5% 2009-10 Retro | | 2% 2010-11 | | 2.5% 2010-11 | | 3% 2010-11 |
| General Fund | \$ 29,300.27 | AND | \$ 24,026.22 | OR | \$ 30,032.78 | OR | \$ 36,039.33 |
| Public Works Fund | \$ 6,516.46 | | \$ 5,343.48 | | \$ 6,679.35 | | \$ 8,015.21 |
| Street Fund | \$ 1,707.37 | | \$ 1,400.04 | | \$ 1,750.06 | | \$ 2,100.07 |
| Water Fund | \$ 875.61 | | \$ 718.00 | | \$ 897.50 | | \$ 1,076.99 |
| Sewer Fund | \$ 875.61 | | \$ 718.00 | | \$ 897.50 | | \$ 1,076.99 |
| PW Related | \$ 6,294.73 | | \$ 5,161.68 | | \$ 6,452.10 | | \$ 7,742.52 |
| Total All Funds | \$ 45,570.05 | | \$ 37,367.42 | | \$ 46,709.29 | | \$ 56,051.11 |
| Cumulative Effect | \$ 45,570.05 | | \$ 82,937.47 | | \$ 92,279.34 | | \$101,621.16 |

Option 3 – a 3% retroactive cost of living increase for 2009-2010 and either a 2%, 2.5%, or 3% cost of living increase for 2010-11.

| Alternative A-3 | | | | | | | |
|-------------------|------------------|-----|--------------|----|---------------|----|--------------|
| | 3% 2009-10 Retro | | 2% 2010-11 | | 2.5% 2010-11 | | 3% 2010-11 |
| General Fund | \$ 35,160.32 | AND | \$ 24,143.42 | OR | \$ 30,179.28 | OR | \$ 36,215.13 |
| Public Works Fund | \$ 7,819.72 | | \$ 5,369.54 | | \$ 6,711.93 | | \$ 8,054.31 |
| Street Fund | \$ 2,048.85 | | \$ 1,406.87 | | \$ 1,758.59 | | \$ 2,110.31 |
| Water Fund | \$ 1,050.73 | | \$ 721.50 | | \$ 901.87 | | \$ 1,082.25 |
| Sewer Fund | \$ 1,050.73 | | \$ 721.50 | | \$ 901.87 | | \$ 1,082.25 |
| PW Related | \$ 7,553.68 | | \$ 5,186.86 | | \$ 6,483.57 | | \$ 7,780.29 |
| Total All Funds | \$ 54,684.03 | | \$ 37,549.69 | | \$ 46,937.11 | | \$ 56,324.54 |
| Cumulative Effect | \$ 54,684.03 | | \$ 92,233.72 | | \$ 101,621.14 | | \$111,008.57 |

Alternative B:

The Council could decide to deny a retroactive cost of living increase for the non-union employees and approve only a cost of living increase for 2010-11 in the following amounts which would have the following financial impact on the city's various funds:

| Alternative B | | | | | | | |
|-------------------|------------------|-----|--------------|----|--------------|----|--------------|
| | 0% 2009-10 Retro | | 2% 2010-11 | | 2.5% 2010-11 | | 3% 2010-11 |
| General Fund | \$ - | AND | \$ 24,143.42 | OR | \$ 30,179.28 | OR | \$ 36,215.13 |
| Public Works Fund | \$ - | | \$ 5,369.54 | | \$ 6,711.93 | | \$ 8,054.31 |
| Street Fund | \$ - | | \$ 1,406.87 | | \$ 1,758.59 | | \$ 2,110.31 |
| Water Fund | \$ - | | \$ 721.50 | | \$ 901.87 | | \$ 1,082.25 |
| Sewer Fund | \$ - | | \$ 721.50 | | \$ 901.87 | | \$ 1,082.25 |
| PW Related | \$ - | | \$ 5,186.86 | | \$ 6,483.57 | | \$ 7,780.29 |
| Total All Funds | \$ - | | \$ 37,549.69 | | \$ 46,937.11 | | \$ 56,324.54 |
| Cumulative Effect | \$ - | | \$ 37,549.69 | | \$ 46,937.11 | | \$ 56,324.54 |

The City's Budget Committee opted not to budget for wage or cost of living increases for 2009-11 outright, deciding to hold budgeted sums in contingency that could be needed to cover new labor contracts and cost of living increases for the non-union employees. As with the police union contract increases, since the City was operating on a Biennial Budget, no budget changes were anticipated to be brought to the City Council until after January 2011 when the expense forecasts were updated a final time for 2009-11, and the City could absorb any possible wage increases within the existing budget. Any additional budget increases that would need to be drawn from the City's contingency would be requested to cover the labor cost increases for the entire biennium. The maximum budget exposure that would be requested from contingency for wages was shown in each Alternative Table as the "Cumulative Effect" for the chosen option. That was the total for all funds.

Councilor Fugate asked if it was implied to the non-reps that the pay would be retroactive due to the police negotiations.

Mayor Dominick stated he was not aware of that.

Mr. Lawrence stated it was not stated as such, but they had consciously made the decision to hold off on the non-reps because they were negotiating with the police. Those negotiations took nearly a year to complete. The non-reps sat by and waited patiently for that to finish. He wanted the Council to know that the non-reps were all happy to have jobs, and they were not complaining. It was more an issue of fairness, because they all did stand by. There did not appear at the Thursday work session that there was support for going retro to July 1, 2009 for the non-reps, but he encouraged the Council to go retro. He liked option A3, which was a 3% retro and 3% increase for the current year.

The City currently had three unions – Police, Fire, and Teamsters – and over the years, due to the economy, the history had been that they negotiated increases and contracts with all three unions, and the non-represented group did not have an advocate, just took what was left at the end. In looking at the comparisons from July 2001 to July 2010, the cumulative increase for fire had been a base wage increase of 39.5%, teamsters had increased 29.0%, the police were at 29% for the same period, the CPI had increased 25.1% and even Social Security had increased 24.3%; however, the non-reps, over the same time period, had only received a base wage increase of 16.5%. That was 23% less than fire, 12.5% less than teamsters and police, 8.6% less than the CPI, and 7.8% less than Social Security. Even though it was a difficult time, he encouraged the Council to assist in making up such a large gap. They needed to send a message to the non-represented employees, letting them know that they mattered, and that they were not going to be left with crumbs following union negotiations. If they had to take a harder stance with the unions during negotiations because the non-reps received money, so be it. They needed to be fair. They had folks working very hard, and many of them were not highly paid individuals, so a 3% increase was a big deal. It was also a fairness issue. How were they supposed to feel if police just got two 3% increases over the past two years, and non-reps got maybe zero last year, and maybe between 2% and 3% this year? He encouraged the Council to look at the spreadsheets provided, to review the history. The numbers provided showed the Council how the increase could be accomplished. He kept asking staff to work with less, which was appropriate, and staff did that, so it was important to send the right message. Staff stood by the City, by the Council, and by the City Manager. He wanted the Council to consider Alternative A3, which was the retroactive 3% and the 3% COLA beginning July 1, 2010.

Councilor Verini stated he had been thinking about this, and looking back to July of last year, and wondering what they would have done if they had not been dealing with police negotiations. He believed that, in taking a look at how the City was financially, and not taking into consideration the police negotiations, he believed they would have probably given a COLA of approximately 3%. He thought that it would behoove them, as a City Council, to really consider doing a retroaction of 3%.

Mr. Lawrence also pointed out the average wage increase in 2009 for the non-reps averaged 1.2% per year. Taking all the unions – Fire, Police, and Teamsters – their average annually was 2.6%. In the fire contract just this year, they were getting 4%; the police were getting 3%; and the teamsters were getting 2.5%.

Councilor Sullivan stated that did not take into consideration the performance pay that was available only to the non-represented employees.

Mr. Lawrence stated there was a merit program for Teamsters.

Lisa Hansen, Human Resources, stated that was based off their performance evaluation. The maximum they could receive was \$550. All of the Teamsters received something last year.

Councilor Sullivan verified with Ms. Hopper that in the performance pay, the average was 2%.

Ms. Hopper stated that was what was budgeted. She did not see the individual evaluations. It had never gone over budget. The enacting resolution was done in 2002.

Councilor Sullivan stated if he were to break that figure down, using the average, if the non-represented employees were getting the 2% increase, where would they fall in the graph she had created? There wouldn't be a cumulative effect of carrying it over. Each year, that person would essentially get the 2% raise.

Ms. Hopper didn't know if that could be graphed. They could probably look at the annual increase graph to see where the non-reps fell.

Councilor Sullivan asked if it would be accurate to say that in using Mr. Lawrence's figure, the 1.2% cumulative, in adding 2% to that to recognize the one-time yearly bonus, that would make it 3.2%.

Councilor Fugate disagreed because the wages were frozen in 2003 for six months.

Councilor Sullivan stated the performance program continued.

Mr. Lawrence stated there was no step program for the non-reps, so a person just starting was not making the same as someone who had been on staff for 10 years. If they did what Councilor Sullivan was suggesting, it no longer remained a merit program, it became part of their COLA.

Councilor Sullivan stated he realized that, but the bottom line to say that the non-reps didn't receive a raise for "x" number of years, was incorrect. They had the performance pay. They could get up to 5%.

Ms. Hopper asked to restate that. If an employee who had worked for the City for 1-4 years received a 1 on their average score, then they wouldn't stay around; but it was a lot harder for someone who had been 10 years or more, to get anything, because they were encouraged to have a higher score the longer they worked here. For someone who had been here 5-10 years, if they received an overall score of 2, that might only be a 1%.

Councilor Sullivan stated he assumed that receiving a "2" meant a 2% bonus. But, she had budgeted for a 2%, so they were figuring on what?

Ms. Hopper stated it was on how long they had been employed, and if they were even eligible for the program. Actuals came in pretty close to the budget. She had never had to ask for additional dollars for the program.

Councilor Sullivan stated he wanted to add that figure back in, because there was a way for the non-reps to earn more money, and that needed to be taken into consideration.

Ms. Hopper stated that the graph presented with the cumulative increases, while it didn't include one time merit pay for non-represented employees, it also didn't include the 6% PERS pick-up non-reps didn't receive.

Councilor Sullivan stated that based on the fact that there was the incentive pay program, he wanted that to be considered if they were going to go retroactive. On Thursday they discussed that, and it seemed everyone was in favor of giving the raise, but going retroactive wasn't being considered at that time.

Councilor Gaskill stated his preference would be to grant the retroactive. Without having to create a new set of figures, what would be the impact if what they did was have the city assume responsibility for the employee's PERS. Would that cost the city more and give a higher increase than what was proposed in the alternatives?

Mayor Dominick stated it would be a 6% impact.

Ms. Hopper stated it would be a 6% increase on the base salary. There would be some cost savings because that 6% now would be a tax deductible benefit to the city because they would not pay social security on that piece; but, the employee's paying their 6% was also tax exempt.

Councilor Sullivan stated he liked the performance system, as it encouraged people to work hard and do a better job and to earn additional income, and it was important to keep that portion available. But, in doing that, they needed to pull back on the COLA. If not, they would be paying the non-represented employees a greater raise than even the union contracts. He didn't think the union contracts should tie the Council into being overly generous with the non-reps. The Council had an obligation to run a tight fiscal house and that's what had given the opportunity to do many of things they had done over the past few years. He encouraged the Council, when looking at giving raises, to consider the performance package, and to consider the impact on the overall budget.

Councilor Fugate stated that one of the reasons the city was doing better financially was due to not giving the non-reps any raises.

Councilor Sullivan stated that was certainly a factor, but when she said they hadn't been giving the non-reps any raises, they had been receiving a performance pay, which was not available to the police or fire unions. Based on what had been provided, it would appear that the non-reps had received a 2% increase annually. It hadn't been entirely on the backs of the non-reps because they budgeted a 2% performance increase in the budget each year. The unions were getting 3%, so to his thinking, to go retroactive with a 2% and 2%, it would still be equal to a 4% and 4% due to the performance pay. The only difference was that it was not a carry-over. Performance pay was a one time bonus, and it was not being built upon.

Councilor Verini stated he appreciated what Councilor Sullivan was saying, but if the performance pay was given to all of the non-reps, equally, then he would totally agree, but it wasn't. Only a certain percentage of the non-reps received that.

Councilor Sullivan stated he was okay with that. If they didn't get a performance bonus, then they didn't deserve one.

Mayor Dominick stated that was why he liked it. It gave the opportunity for the employee to receive the incentive based on their work. In the private sector, raises were based on performance, so with the merit pay, that was also based on performance. He would've liked to see that started in the union contracts also. It gave management the opportunity to let an employee know they needed to work harder. Before, he had thought of it as a bonus system, but after listening to Council, it was more of a merit. It truly became more businesslike. If you were an employee who worked hard, and did a good job, you would receive that extra 2 or 2.5%, and had earned it. But, if you were just doing enough to get by day to day, then you would just be getting COLA.

Councilor Verini stated that Ms. Hopper had also mentioned longevity. People that had been on staff the longest, seemed to get less of a merit pay. It seemed to be a disservice to those who had been here the longest.

Ms. Hopper stated she had tried to address that with her white board drawing at the work session last Thursday. The longer you were here, the harder it was to earn a percentage of merit pay because after a certain period of time, you had to score much higher to get the same percent increase of merit pay as someone who was working on their first four years of employment. In exchange for that, the longevity piece was put into place, in that same resolution. The problem was with the economy and the budget, so those things had not been used. It was strictly merit and COLA.

Mayor Dominick asked if Ms. Hopper knew the amount budgeted towards merit?

Ms. Hopper did not know.

Councilor Sullivan stated he assumed it was \$36,456 annually, based on using the 2% figure.

(Issues with the system caused the last 20 minutes of Tape 1, Side 2, to have no sound. System picked back up starting with Tape 2, Side 1.)

Mayor Dominick asked what the starting pay would be for an employee starting tomorrow, who would be working at the front desk?

Ms. Hopper stated it would be between \$12-14 per hour.

Councilor Sullivan stated on Thursday, they had been considering a 3% COLA, without going retroactive, but he wanted to present for consideration a 2% retroactive COLA, and a 2% COLA for the next year.

Mayor Dominick stated based on the chart provided by Ms. Hopper, that proposal would result in a budget impact of \$36,456 retro, and a cumulative impact over the two years through 2011, of \$73,641.

Councilor Fugate proposed a 3%, as suggested by the City Manager, and it should be for longer than just the one year. The proposal should be for three years.

Councilor Sullivan stated they could not commit beyond the budget year they were in.

David Sullivan moved, seconded by Susann Mills, that the Council approve a retroactive cost of living increase for non-union employees in the amount of 2% for the 2009-2010 year, and a 2% cost of living increase for non-union employees for 2010-2011.

Councilor Crume stated they as a Council needed to equalize the pay out. He felt very strongly that in the future when the contract negotiations were opened up with the unions, they looked very closely at what the economy was doing, and to consider a wage freeze until such time the economy turned around and the tax payers had their wages began to increase also. Just as it has been unfair for the non-represented employees to not receive a COLA when other employees had, it would be just as unfair for the tax paying public to keep providing pay raises when the tax payers remained the same, or decreased in some cases.

Councilor Verini stated they shouldn't vote in favor of the 2% motion. In all fairness to the non-reps, they deserved a 3% retroactive, and a 3% COLA for the 2010-2011 year. They, as a Council, should try for the 3%.

Councilor Fugate stated she put a lot of trust in the City Manager's opinion because of his closeness to all the issues, so she supported Mr. Lawrence's recommendation. She would not be able to vote for the 2% and 2% motion.

Councilor Gaskill stated his personal preference was to go with the recommendation from the City Manager. In the interest of fairness, given the history, it was the one that promoted the greatest fairness and the greatest impact of all the choices. However, any increase, including the retroactivity, would be good. He didn't want it perceived that if he voted no on the motion, that he didn't support staff getting an increase; and he didn't want it perceived that if he voted yes on the motion, that he believed the 2%-2% was adequate.

Mayor Dominick stated along those same lines, when he voted no on the police contract, it wasn't that he didn't value the police, but in his opinion it wasn't fair to the tax payers.

Councilor Fugate stated when Resolution 2002-128 had been passed, it hadn't been followed through on due to financial difficulties. The Council needed to review that resolution, and bring it current.

Councilor Verini stated because they hadn't followed the resolution, that's why they were where they were at today. To be fair, the Council should consider the 3% retroactive.

(Restated Motion)

David Sullivan moved, seconded by Susann Mills, that the Council approve a retroactive cost of living increase for non-union employees in the amount of 2% for the 2009-2010 year, and a 2% cost of living increase for non-union employees for 2010-2011. Roll call vote: Crume-yes; Fugate-no; Gaskill-no; Mills-yes; Sullivan-yes; Verini-no; Dominick-yes. Motion carried 4/3/0.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Rachel Hopper reminded everyone of the Budget Committee meeting set up for Wednesday, August 4th, beginning at 6:00 p.m. at the Aquatic Center.
- Councilor Verini stated the Adopt-a-Soldier program was in full swing. There were 145 soldiers signed up from the 116th, for a 12-18 month deployment beginning in September. If anyone was interested in sponsoring a soldier, even just to send a little note, it would be greatly appreciated. Contact Veteran's Advocates of Ore-Ida office and sign up!
- Councilor Gaskill stated there would be meetings on August 24th and 25th regarding the Pioneer Train project, in Hermiston, to discuss rail transportation in Oregon. The Department of Transportation had purchased two trains, and one had been designated for use on a North-South route between Portland and Eugene. He believed the meeting was to discuss the possibility of establishing an East-West route, tying Eastern Oregon to Portland, via the rail. He planned to attend the meeting.
- Councilor Gaskill stated he had come to the final decision that he would not be seeking reelection for a Council seat this election year. He had enjoyed his time on the Council, but it was time to step down. He did plan to stay actively involved in the community.

Mayor Dominick thanked Councilor Gaskill for all his years of service, and for his assistance over the past four years.

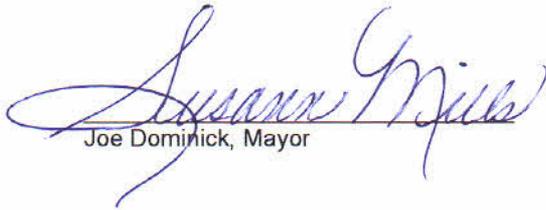
- Councilor Mills stated they needed to realize how important the mutual aid was from the surrounding cities. When Wendy's burned down, that was a good indication of the importance of having different cities coming to the aid of another city when there was a need. She offered her thanks to those cities that had come to Ontario to render aid. It was greatly appreciated.

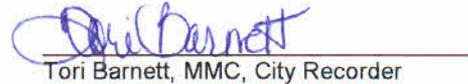
- Councilor Sullivan reminded everyone that the Malheur County Fair would begin on Wednesday, running through the week-end.
- Tori Barnett reminded everyone of the upcoming election, and indicated the cut-off for a completed filing was August 24th.
- Mayor Dominick stated the Mud Fest had been held over the weekend, and they raised about \$10K. There were 27 participating, and the entry fee was \$350 per team.
- Mayor Dominick stated they needed to be made aware of something going on in Oregon about sage grouse. He had a 150+ page report on it, and he could send it out in PDF. It covered how it affected the rural communities and how they developed their land in relationship to habitats.
- Councilor Verini stated on August 7th in Lion's Park, there would be an event by Dallas Hoffman, a member of the Sabercats, a semi-pro football team based in Ontario. It would be an awards banquet, and the public was invited to attend. There would be opportunities to meet the players and have pictures taken. All the proceeds from the games went to the various activities at Ontario High School.

ADJOURN

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

ATTEST:


Joe Dominick, Mayor


Tori Barnett, MMC, City Recorder