

AGENDA
ONTARIO CITY COUNCIL - CITY OF ONTARIO, OREGON
Monday, June 16, 2014, 7:00 p.m., M.T.

1) Call to order

Roll Call: Norm Crume _____ Jackson Fox _____ Charlotte Fugate _____ Dan Jones _____
Larry Tuttle _____ Ron Verini _____ LeRoy Cammack _____

2) Pledge of Allegiance

This Agenda was posted on Wednesday, June 11, 2014, and a study session was held Thursday, June 12, 2014. Copies of the Agenda are available at the City Hall Customer Service Counter and on the city's website at www.ontariooregon.org.

3) Motion to adopt the entire agenda

4) Consent Agenda:

- A) Minutes of June 2, 2014 Council Meeting 1-6
- B) Meetings Calendar: Jun-Dec, 2014 7
- C) Approval of the Bills

5) Department Head Updates: *Thursday Only*

6) Public Comments: Citizens may address the Council on items not on the Agenda. Please limit your comments to three (3) minutes. This time limit will be enforced. Please state your name and city of residence for the record.

7) New Business:

- A) Resolution #2014-121: Establishing Policies on Ending Fund Balance per GASB54 8-10
- B) SRO Contract with 8C School District 11-16
- C) Proposed Lawsuit to Extend Reiter Drive R-O-W 17-21

8) Public Hearing(s)

- A) Resolution #2014-120: Receive State Revenues 22-23
- B) Resolution #2014-122: Adopt FY 14-15 Annual Budget 24-29

9) Discussion/Informational/Hand-Out Items (*Thursday Only*)

- A) Financial Reports for Council
- B) Police Department Stats - May
- C) Fire Department Stats - May (Hand-Out)
- D) Public Works Committee Minutes: 05-14-2014
- E) SREDA Meeting Minutes: 06-04-2014
- F) Planning Director Position

10) Correspondence, Comments and Ex-Officio Reports

11) Presentation: The Prothman Company

12) Executive Session(s)

- A) ORS 192.660(2)(d)
- B) ORS 192.660(2)(a)

13) Adjourn

MISSION STATEMENT: TO PROVIDE A SAFE, HEALTHFUL AND SOUND ECONOMIC ENVIRONMENT, PROGRESSIVELY ENHANCING OUR QUALITY OF LIFE

The City of Ontario does not discriminate in providing access to its programs, services and activities on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, physical or mental disability, or any other inappropriate reason prohibited by law or policy of the state or federal government. Should a person need special accommodations or interpretation services, contact the City at 889-7684 at least one working day prior to the need for services and every reasonable effort to accommodate the need will be made. T.D.D. available by calling 889-7266.

**ONTARIO CITY COUNCIL MEETING MINUTES
Monday, June 2, 2014**

Executive Session: ORS 192.660(2)(d)

An executive session was called at 6:30 p.m. under provisions of ORS 192.660(2)(d) to discuss labor negotiations. The Session ended at 8:01 p.m.

The Regular Meeting of the Ontario City Council was called to order by Council President Dan Jones at 8:12 p.m. on Monday, June 2, 2014, in the Council Chambers of City Hall. Council members present were Norm Crume, Jackson Fox, Charlotte Fugate, Dan Jones, Larry Tuttle, and Ron Verini. LeRoy Cammack was excused.

Members of staff present were Tori Barnett, Larry Sullivan, Marcy Skinner, Kari Ott, Mark Alexander, Alan Daniels, Brad Howlett, Anita Zink, Jerry Elliot, Bob Walker, Mary Domby, and Dawn Eden. The meeting was recorded, and copies are available at City Hall.

Charlotte Fugate led everyone in the Pledge of Allegiance.

AGENDA

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

CONSENT AGENDA

Norm Crume recused himself from voting as his company had an invoice for payment on Item C – Bills.

Ron Verini moved, seconded by Larry Tuttle, to approve Consent Agenda as amended Item A: Minutes of the Council Meeting of May 19, 2014; Item B: Liquor License Application – Ontario Mini Market & Produce (New Outlet); and Item C: Approval of the Bills. Roll call vote: Crume-abstained; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-yes; Cammack-out. Motion carried 5/0/1/1.

PUBLIC COMMENT

Nicki Hall, Ontario, stated that she wanted the youth of Ontario to be able to go to the Ontario Aquatic Center. Kids needed more to do than just go to the skate park. Other cities including Vale and Payette had programs for their kids and the City needed to look at the budget to be able to fund the Aquatic Center. Also, people were volunteering to clean trash around the city of Ontario and could also volunteer to mow in various locations.

PRESENTATION

Water Treatment Plant Performance Audit: Murray Smith & Associates, Inc., presented an overview of their findings to the Council. (See attached PowerPoint document).

Councilor Jones asked what adding a third unit would do to the existing system, and it was already designed to fit in there, correct?

MSA stated there was a building that had three pads on it. The first two had a treatment plant on it (a boxed unit). They would just put the same footprint of the existing two onto that location.

Dan Jones asked if that cost was in their presentation.

MSA stated it was; it was just over \$1M.

Councilor Fox asked how close the city had been to being in violation, and how long ago was that?

MSA stated that would have been back in 2010. It was just one out of the four sites.

Councilor Fox stated on the priority one improvements, best guess, how much time was there before the city needed to implement all of those.

MSA stated it was a roll of the dice. There was no way to know. The city needed to prepare to react now. The recommendations would lessen the likelihood that they would form. The city could reduce the formation potential that the contaminants would form in the distribution system by a number of different ways.

Councilor Fox verified that purchasing more of the filter media was just a Band-Aid solution.

MSA stated it was already being replaced on a pretty regular schedule. All the media the city currently had was four years old or less. It shouldn't have to be replaced for ten years; however, it was already coated enough that it wasn't functioning the way it should. But, there was a good chance that adding in the CO₂ and changing the chemistry of the water might get some of the percpient off.

Councilor Verini stated regarding the \$611K, to install the pH monitoring and control system with the CO₂ feed, could they do that in isolation of the other items listed as priority one, or was that all integrated into having to do all or none. Could that be phased in?

MSA stated the project could be stand-alone. Addressing one issue will create the domino effect. It would allow the city to take on other pieces, some in priority two.

The Council thanked Murray Smith & Associates, Inc., for their presentation.

NEW BUSINESS

Councilor Verini voiced his concern for the City of Ontario going with a for-profit organization, and hoped that CH2M Hill proved him wrong. He believed the city could run the department better than a for-profit company.

CH2M Hill Contract

Larry Sullivan, City Attorney, stated a report had been submitted which addressed the latest changes to the proposed contract. There weren't that many changes; however, a few were significant.

Section 4.1.1: Now includes language reading CH2M Hill will use its best efforts to begin services on July1, 2014, and in any event will begin services no later than July 7, 2014. CH2M Hill personnel understood the city's desire to have CH2M Hill take over Public Works operations by the beginning of the 2014-2015 fiscal year, but could not guarantee that there was sufficient time between final Contract approval and July 1, 2014, to complete the transition.

Section 5.1.1: This section was revised to include CH2M Hill's acknowledgement of the presence of asbestos cement material not only in the city's water mains, but also in the city's storm drainage and sanitary sewer systems. The City Attorney brought this to CH2M Hill's attention last week based upon comments from the Public Works staff. The changes in this Section made it explicit that any costs incurred by CH2M Hill in remediating asbestos as a result of the presence of material in those systems would be paid for either as a Repair or a Capital

Improvement, which might ultimately mean that the city might have to reimburse CH2M Hill for those costs if the repair budget in the Contract was exceeded or if the work was extensive enough to qualify as a Capital Improvement under the Contract.

(New) Section E.3.1: was added to Appendix E of the Contract, making it clear that an annual base fee adjustment was not automatic, but would be the subject of negotiation between CH2M Hill and the city. CH2M Hill's practice was not to unilaterally require a municipality to follow the base fee adjustment formula. Mike Moon [CH2M Hill] informed the City Attorney that it was rare for CH2M Hill to raise the base fee by the amount specified in the base fee adjustment formula.

As to the city's request for a cap on the base fee adjustment formula, CH2M Hill was willing to place a cap of 5% on the annual base fee adjustment, as reflected in new Section E.3.2. In consideration for that adjustment, however, CH2M Hill proposed to revise Section E.7.1, to remove the language requiring CH2M Hill to pay for increases in electricity rates and chemicals up to 10% over the term of the Contract. The original language of Section E.7.1 read: *"In the event that the rates for electricity or price for any chemical increase by ten percent (10%) percentage Year over Year, City shall pay for any such electrical or chemical costs increases."* CH2M Hill was willing to leave the original Section E.7.1 language unchanged if the city withdrew its request for a cap in Section E.2.3. Staff has a version of the Contract with original Section E.7.1 unchanged and with no 5%, if the Council preferred that version.

Staff had no clear recommendation as to which version (i.e., the version with or without the 5% cap) to select, because there was no accurate way to gauge the financial impact on the city if it selected one version over the other. Keeping the 5% cap might save the city a substantial amount of money in a period of high inflation, particularly if electricity or chemical costs jumped 10% or more in the first year or two of the Contract. If there was a steep jump in electricity rates early in the Contract term, the financial impact of the two different versions of Section E.7.1 would be less than if it took several years for electricity rates or chemical costs to climb by 10% or more from the first year.

Councilor Crume asked if Idaho Power rates had increased 10% in any one year.

Brad Howlett, Facilities Manager, stated that one year ago, on average, 15.3%. Residential was 12%, and commercial exceeded 15%. There was no increase scheduled for the current calendar year they were currently in,

Councilor Crume stated with the drought in the area, the power rates were always high, and the regulatory issues being dealt with nationwide regarding chemicals, he could see chemical expenses raising more than 10% in a year.

Councilor Jones stated both sides would have to deal with inflation. They'd need to work together. He wasn't in favor of the cap.

Continuing on, Mr. Sullivan stated following an executive session, which Sean Haghghi was invited to attend, the Council expressed a concern that the current union employees be offered a position by CH2M Hill. There were 19 current union employees in the Public Works Department. CH2M Hill informed the city that there were 19 positions available, and those current union employees could be employed by CH2M Hill, as long as those employees applied for a job with CH2M Hill, and were qualified for the position. Those qualifications included their ability to pass a drug test, a background check, and a company physical.

Councilor Jones stated with regard to the July 1 vs. July 7 start date, there was nothing in the proposed budget for Public Works. He was also concerned that with the 4th of July falling on a Friday, staff would be limited, perhaps leaving the city at risk. In the seven days window, what could the city do to ensure the city could operate during the week of the 4th?

Sean Haghighi, CH2M Hill, stated a lot of things would need to happen with the employee in order to transition from city operations from July 1 to July 7. They would have to receive the applications, conduct interviews, extend offers, they didn't know if the union would be involved or not, and that all needed to be completed between now and July 1st. In four to four and half weeks, CH2M Hill felt it was important to say that was a compressed timeframe to transition from city operations to a private operation, and to have everything running. They made a commitment to do their best for July 1, but no later than July 7th. It was their full intent to be here on the 1st and operational. Either way, they would be around, supporting. They were not going to just show up on the first day. They would be highly visible, and would make sure everything was looked after. Whether they took physical charge or not, depended on many things that had to occur in a very short time. They believed it was important to discuss July 7th being the more reasonable time, but July 1st being their goal. There were a number of CH2M Hill employees currently in town, through tomorrow, if the vote was favorable, and they would meet with the Public Works staff to begin the process. There was a day-to-day, week-to-week schedule for the crews and support personnel to be ready to take care and responsibility of the system.

Councilor Fox stated as it was not in the budget for next year, with the knowledge of different staff resignations, that amount of money could be used towards temporary help from American Staffing. Worst case, it would be seven days.

Jackson Fox moved, seconded by Charlotte Fugate, that the City Council approve the May 30, 2014, draft of the CH2M Hill Contract that does not include a 5% cap on annual base fee adjustments, and that the Council authorize Dan Jones, as Council President, to sign the Contract on behalf of the City, in the absence of the Mayor. Roll call vote: Crume-yes; Fox-yes; Fugate-yes; Jones-yes; Tuttle-yes; Verini-no; Cammack-out. Motion carried 5/1/1.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Tori Barnett said that the Fair Housing Presentation would be at the Cultural Center on July 9th, 10th or 14th, and wanted to know when the Council would be available for a presentation.
- Ms. Barnett stated staff had gotten together to address the request of the Budget Committee to reduce the budget an additional \$185,418.00. After working as a team, the Department Heads had reduced the budget for \$197,981.00. She thanked staff for working together to accomplish this goal.

Councilor Jones asked about the Golf Fund. The Golf Contract would end this December and there might be several months left to negotiate and possibly make budget cuts from that department. Every other department and/or program had cuts made. Was it legal to make cuts to the Golf Fund? It wasn't fair to leave that fund alone, untouched.

Councilor Tuttle stated the city was under a contract.

Kari Ott, Oster Group, stated the contract was until December. January through June was budgeted at half of that contract. That wasn't *in* the contract. It ran as a calendar year, not fiscal.

Councilor Jones asked if the Council agreed with him, that if there was some room in the Fund, maybe some money should be identified. Everything had been scrutinized and they had ignored the Golf Fund.

Councilor Tuttle stated he wanted to know where the cuts came from. Council might not agree with where the cuts were made, and possibly would be adding money back in. After that, have the Golf Fund as an alternative.

Councilor Jones stated as they would be discussing the 2014-15 budget at the next meeting, the Council needed to receive a copy of those cuts soon.

Ms. Barnett indicated she could provide that by tomorrow.

Ms. Ott stated she needed to have the budget published at least five days prior to the proposed budget adoption meeting of the 16th.

Councilor Jones asked how much would be in the Golf Fund from January to June?

Ms. Ott stated it would be around \$93,750.

Councilor Jones stated to him, there was \$15-20K that could be used. If everyone else made cuts, that money needed to be included in the information to the Council.

- Ms. Barnett stated the election packets for the November 2014 election would be ready on June 4th.
- Ms. Barnett stated she spoke with ICMA about the Public Safety study, and he indicated the final report would be ready mid-June. The contract had a section which indicated one on-site presentation at their cost, not ours.
- Ms. Barnett stated CH2M Hill would be at City Hall starting tomorrow to speak with all the Public Works staff. The fall and spring clean-ups the city took care of would continue under CH2M Hill.
- Chief Alexander stated there would be a Special Olympic even in Payette Saturday, and so the Law Enforcement Torch Run would be held prior to that. It involved law enforcement agencies from around the Treasure Valley. They would be stopping in Ontario and there would be participation with the athletes by officers from Ontario Police Department.
- Larry Sullivan stated Council had asked him to speak with Stephanie Williams about bonding to help the Aquatic Center. An email had been distributed which reflected Ms. Williams' response.
- Mr. Sullivan stated there had been discussion about including an addition agenda item in connection with an SDC waiver or reduction requested by a local businessman. After review, he concluded all the necessary forms hadn't been completed for an appeal. Those documents had been sent out to the individual for completion.
- Councilor Verini stated that Undersecretary of Benefits Hickey's presentation to the community had to be postponed. A lot going on in the Veteran's Administration. It was positive for this community as she controlled about \$71B of federal monies.
- Councilor Verini reminded everyone that America's Global Village was this Saturday in Lion's Park.
- Ms. Barnett stated some things had occurred and she was having some difficulty in dealing with them. As an Interim City Manager, there hadn't been any guidelines or parameters established for handling certain situations. She would be appreciative of some Council direction on what the Council's expectations might be. Per City Charter the Council wasn't supposed to tell the City Manager what to do or coerce the City Manager in regards to hiring and firing staff; however, if the City Manager asked the Council for assistance, that wasn't violating the Charter.

Mr. Sullivan stated that was true, but it couldn't be done in an executive session. If the Council was going to advise or offer suggestions to the City Manager on any issue affecting employment, that had to be done in a public meeting. Otherwise, it opened up individual Council members up to potential personal liability from city employees whose employment might be affected by the decisions.

Councilor Jones confirmed that meant to not talk privately.

Mr. Sullivan stated that was correct.

Councilor Crume verified that was only on the employment issues, nothing else.

Mr. Sullivan stated that was correct. The City Manager had the right to get the Council's advice on any issue, but when it came to employment issues, if the Council wanted to avoid personal liability to anyone as a result of that, they had to do conduct it in an open meeting. That was by Charter.

Councilor Fox stated he had a conversation with the Interim City Manager that day, and she volunteered to him that she wasn't willing to do something like that without discussing it with the Council, and he liked that statement.

ADJOURN

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

APPROVED:

ATTEST:

LeRoy Cammack, Mayor

Tori Barnett, MMC, City Recorder

MEETINGS LIST JULY THROUGH DECEMBER, 2014

JUL	3	V&C Board	7:00 am	Clarion Inn
	3	Council Work Session	12:00 pm	City Hall
	7	Council Meeting	7:00 pm	City Hall
	8	Golf Committee	5:30 pm	Golf Course
	14	Airport Committee	7:00 pm	Airport
	14	Planning Commission	7:00 pm	City Hall
	16	Recreation Board	3:30 pm	City Hall
	17	Council Work Session	12:00 Noon	City Hall
	17	Public Works Committee	3:00 pm	City Hall
	21	Council Meeting	7:00 pm	City Hall
31	Council Work Session	12:00 pm	City Hall	
AUG	4	Council Meeting	7:00 pm	City Hall
	7	V&C Board	7:00 am	Clarion Inn
	11	Airport Committee	7:00 pm	Airport
	11	Planning Commission	7:00 pm	City Hall
	12	Golf Committee	5:30 pm	Golf Course
	14	Council Work Session	12 Noon	City Hall
	18	Council Meeting	7:00 pm	City Hall
	20	Recreation Board	3:30 pm	City Hall
	21	Public Works Committee	3:00 pm	City Hall
28	Council Work Session	12 Noon	City Hall	
SEP	2	(TUE) Council Meeting	7:00 pm	City Hall
	4	V&C Board	7:00 am	Clarion Inn
	8	Airport Committee	7:00 pm	Airport
	8	Planning Commission	7:00 pm	City Hall
	9	Golf Committee	5:30 pm	Golf Course
	11	Council Work Session	12 Noon	City Hall
	15	Council Meeting	7:00 pm	City Hall
	17	Recreation Board	3:30 pm	City Hall
18	Public Works Committee	3:00 pm	City Hall	
OCT	2	V&C Board	7:00 am	Clarion Inn
	2	Council Work Session	12 Noon	City Hall
	6	Council Meeting	7:00 pm	City Hall
	13	Airport Committee	7:00 pm	Airport
	13	Planning Commission	7:00 pm	City Hall
	14	Golf Committee	5:30 pm	Golf Course
	15	Recreation Board	3:00 pm	City Hall
	16	Council Work Session	12 Noon	City Hall
	16	Public Works Committee	3:00 pm	City Hall
	20	Council Meeting	7:00 pm	City Hall
30	Council Work Session	12 Noon	City Hall	
NOV	3	Council Meeting	7:00 pm	City Hall
	6	V&C Board	7:00 am	Clarion Inn
	10	Airport Committee	7:00 pm	Airport
	10	Planning Commission	7:00 pm	City Hall
	12	(WED) Golf Committee	5:30 pm	Golf Course
	13	Council Work Session	12 Noon	City Hall
	17	Council Meeting	7:00 pm	City Hall
	19	Recreation Board	3:30 pm	City Hall
20	Public Works Committee	3:30 pm	City Hall	
26	(WED) Council Work Session	12 Noon	City Hall	
DEC	1	Council Meeting	7:00 pm	City Hall
	4	V&C Board	7:00 am	Clarion Inn
	8	Airport Committee	7:00 pm	Airport
	8	Planning Commission	7:00 pm	City Hall
	9	Golf Committee	5:30 pm	Golf Course
	11	Council Work Session	12 Noon	City Hall
	15	Council Meeting	7:00 pm	City Hall
	17	Recreation Board	3:30 pm	City Hall
	18	Public Works Committee	3:00 pm	City Hall
31	(WED) Council Work Session	12 Noon	City Hall	

AGENDA REPORT

June 16, 2014

TO: Mayor and City Council

FROM: Kari Ott, CPA

THROUGH: Tori Barnett, Interim City Manager

SUBJECT: RESOLUTION #2014-121: ESTABLISHING POLICIES RELATED TO ENDING FUND BALANCES FOR 2013-2014

DATE: June 9, 2014

SUMMARY:

Attached is the following document:

- Resolution # 2014-121

The purpose of this agenda item is to establish fund balance policies to comply with GASB pronouncement 54.

BACKGROUND:

The City Council elects and reserves the authority to establish and modify commitments of ending fund balance pursuant to GASB 54 requirements.

FINANCIAL IMPLICATIONS:

The financial implication is that the City Council elects to commit the 2013-2014 ending fund balance for specific uses in 2014-2015.

RECOMMENDATION:

Staff recommends the City Council adopt Resolution #2014-121.

PROPOSED MOTION:

I move the City Council adopt Resolution #2014-12, A RESOLUTION ESTABLISHING POLICIES RELATED TO ENDING FUND BALANCES FOR 2013-2014 PURSUANT TO GASB 54 REQUIREMENTS.

RESOLUTION #2014-121

A RESOLUTION ESTABLISHING POLICIES RELATED TO ENDING FUND BALANCES FOR 2013-2014

WHEREAS, The City of Ontario promotes accounting practices in compliance with the Governmental Accounting Standards Board (GASB); and

WHEREAS, The City Council desires to establish fund balance policies to comply with GASB pronouncement 54.

NOW THEREFORE, BE IT HEREBY RESOLVED by the City Council for the City of Ontario:

Pursuant to GASB 54 requirements, the City hereby elects the following policies as it relates to fund balances for 2013-2014:

Authority

The Ontario City Council reserves the authority to establish and modify commitments of ending fund balance.

Commitments

In compliance with GASB 54, the Ontario City Council hereby makes the following commitments of 2013-2014 ending fund balance for specific uses in 2014-2015:

Special Revenue Funds

The unrestricted ending fund balance of the Trust Fund is committed to use for activities related to the specific department priorities as established by those who provided the monies held in trust.

The ending fund balance of the Revolving Loan Fund is committed to use for activities related to the specific activities defined by Council Resolution governing the revolving loan fund program and the grant program established through the collection of interest payments on outstanding loans.

Capital Project Funds

The unrestricted ending fund balance of the Capital Projects Fund is committed to use for capital project activities as defined by each individual department, including fees collected that are required to be spent on defined activities.

The unrestricted ending fund balance of the Reserve Fund is committed to use for capital projects and equipment replacement related to the specific department priorities as established by those who provided the monies.

Assignments

Authority to classify portions of ending fund balance as Assigned is hereby granted to the Ontario City Council, or their designee.

Spending as it Relates to Ending Fund Balance Policy

The Ontario City Council considers the spending of the restricted classification of fund balance in the following order:

- Restricted Uses
- Committed Uses
- Unrestricted Uses

EFFECTIVE DATE: Effective immediately upon passage.

PASSED AND ADOPTED by the City Council of the City of Ontario this ____ day of _____ 2014, by the following vote:

AYES:

NAYES:

ABSENT:

APPROVED by the Council President this ____ day of _____, 2014.

ATTEST:

LeRoy Cammack, Mayor

Tori Barnett, MMC, City Recorder

AGENDA REPORT
June 16, 2014

TO: Mayor and City Council

FROM: Mark Alexander, Chief of Police

Through: Tori Barnett, Interim City Manager

SUBJECT: REQUEST TO PROCEED- SRO CONTRACT WITH ONTARIO 8C SCHOOL DISTRICT

DATE: June 3, 2014

SUMMARY:

Attached is the following document:

- Proposed School Resource Officer (SRO) contract with Ontario 8C School District.

The Police Department would like to enter into a contract with the Ontario 8C School District to provide two SRO's for the 2014-2015 school year.

PREVIOUS COUNCIL ACTION:

The Council approved the same contract since 2012.

BACKGROUND:

The Police Department has partnered with the Ontario 8C School District to provide SRO's for several years. The level of service and associated costs has fluctuated, depending upon budget conditions.

The School District has budgeted money to fund two SRO's for the 2014-2015 school year. The Police Department has prepared a contract outlining the services and associated costs.

FINANCIAL IMPLICATIONS:

Ontario 8C School District will pay the City fully burdened wages for actual hours performed by SRO's, up to \$125,000. The City will provide equipment and training for the officers. The City will provide payroll costs that exceed \$125,000.

RECOMMENDATION:

Staff recommends approval of the contract.

PROPOSED MOTION:

I move the Council authorize the City Manager and Police Chief to sign a contract with 8C School District to provide two School Resource Officers for the 2014-2015 school year.

**LAW ENFORCEMENT SERVICES AGREEMENT
ONTARIO SCHOOL DISTRICT/CITY OF ONTARIO**

THIS AGREEMENT commencing on the _____ day of _____, 2014 by and between the ONTARIO SCHOOL DISTRICT, a unit of local government, hereinafter referred to as "District" and ONTARIO CITY, a unit of local government, hereinafter referred to as "City".

WITNESSETH:

WHEREAS, District desires to enter into a contract with City for the performance of law enforcement services at schools within the District and at after-school events, and

WHEREAS, the Ontario Police Department, hereinafter referred to as "OPD" has personnel qualified and capable to provide law enforcement protection and services within the City of Ontario and is agreeable to rendering such law enforcement services and protection on the terms and conditions set forth in this Agreement, and

WHEREAS, the parties to this Agreement are authorized by the laws of the State of Oregon to enter into such an agreement pursuant to ORS 190.003 through 190.085.

NOW, THEREFORE, the parties hereto agree as follows:

1. The City agrees to employ, furnish and supply police officers referred to herein as School Resource Officers ("SROs") together with equipment, supplies, vehicle, supervision and such other items that are reasonably necessary to provide law enforcement services to District, under the following terms and conditions:
 - a. OPD will provide two (2) officers as SROs who will work with the District an average of 40 hours per week while school is in session.
 - b. OPD agrees to provide a SRO for certain after-school activities. Any hours worked by the SRO at an after-school activity shall be counted in the hours worked by the SRO in that week as mentioned in subsection (a) above unless such hours qualify for overtime under the Ontario Police Officers Collective Bargaining Agreement. It shall be the responsibility of the Principal or designee to request the presence of the SRO for any after school activity. The Principal shall by mutual agreement with the SRO determine the date and hours to start and end for each after school activity at which the SRO's presence is requested. The Principal shall coordinate with the SRO concerning the number and attire of school security guards required, if any, at such after school activities.

- c. The personnel used by OPD to perform the law enforcement services shall remain under the jurisdiction and control of OPD while rendering the services, and OPD shall maintain the standard of performance of such personnel. Although SROs will operate within a formal educational environment, they are not relieved of their official duties as law enforcement officers. Decisions to intervene formally will be made when it is necessary to prevent any criminal act. Citations will be issued and arrests made when appropriate and in accordance with OPD's standard operating procedure
 - d. If, at any time the SRO is called to respond to an emergency by other OPD personnel during the course of providing law enforcement services to the district, the emergency shall take precedence and the SRO shall respond accordingly.
 - e. Except as otherwise specifically set forth in this Agreement, such law enforcement services shall only encompass duties and functions of the type coming within the jurisdiction of and customarily rendered by a police officer of a city in the State of Oregon under the statutes of the State of Oregon and the ordinances of the City.
 - f. The law enforcement services to be rendered by OPD are services of an independent contractor with District and the standards of performance, the discipline of officers, patrol of personnel rendering such services, and other matters incident to the performance of such services shall be the responsibility of OPD.
2. The District shall pay the City for law enforcement services to be rendered pursuant to this Agreement. Said sum shall be paid to the City upon receipt of invoices that will be submitted in the following manner:
- a. The District shall pay the fully burdened cost for two SROs for hours worked for the District during the school year at a rate of \$49.87/hour/SRO, not to exceed \$125,000.
 - b. The District shall pay the fully burdened cost for overtime worked by officers during after-school activities when those hours are after the completion of a workday or workweek as defined in the Ontario Police Association bargaining agreement at a rate of \$68.39/hour/SRO. Billing for overtime hours shall be included in the above listed cap of \$125,000.

- c. Invoices will be submitted by the City on a monthly basis. The City shall provide copies of payroll records for verification purposes of hours worked at the request of the District.
3. To further facilitate the performance of services, the District agrees to set aside a workspace and make facilities at the District available to the SROs performing services under this Agreement so they may write reports, conduct interviews, make phone calls, and complete other administrative tasks without leaving the area.
4. It is agreed that all employees of OPD shall remain employees of the City for all purposes including the payment of wages and benefits, withholding or deductions from wages and/or salaries, retirement benefits, insurance, worker's compensation, and unemployment or other compensation to any City personnel performing services pursuant to this Agreement.
5. Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in a manner that would indicate any such relationship with each other.
6. Each party shall indemnify and hold the other harmless for any acts of that party and that party's employees and agents, to the extent of the limits set forth in the Oregon Tort Claims Act, ORS 30.260-30.300.
7. This Agreement shall be effective commencing on the date of execution of this Agreement by the parties and shall continue in full force and effect to the end of 2013-2014 school year.
8. This Agreement may be renewed by a mutual agreement of the parties for additional one (1) year periods under the terms and conditions terms as the parties agree. Funds under a renewed contract shall be paid to the City within thirty (30) days of renewal or execution of the contract.
9. Each of the parties has designated an employee to be its administrator of this Agreement for the purpose of coordinating the efforts of employees of the District and the employees of OPD. The District designates the Ontario School District Superintendent as its administrator and OPD designates the Police Chief as its administrator. Communications between the parties concerning this Agreement shall be made between the Administrator or their designee.

10. Any notice to be given pursuant to the terms of this Agreement shall be sufficiently given for all purposes if delivered personally or if sent by U.S. Certified Mail, Return Receipt Requested, addressed to the party in question at the address as hereinafter set forth:

Superintendent
Ontario School District
195 SW 3rd Avenue
Ontario, OR 97914

Chief of Police
Ontario Police Department
444 SW 4th Street
Ontario, OR 97914

For purposes of this Agreement, a notice served by mail shall be deemed to have been delivered three (3) days after the date mailed as indicated by the postal service postmark on the certified mail receipt or on the envelope containing the notice. Either party shall be entitled to change the address for service of notice hereunder by notifying the other party, in writing, of the new address.

11. This Agreement encompasses the entire agreement of the parties and may not be modified or changed in any way except by written document signed by all the parties hereto.
12. Any provision of this Agreement which is found by a court of competent jurisdiction to be invalid or illegal shall in no way affect or invalidate any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect.
13. This Contract shall be executed in two (2) originals with each party retaining an original.

AGENDA REPORT

June 16, 2014

TO: Mayor and City Council

FROM: Larry Sullivan, City Attorney

THROUGH: Tori Barnett, Interim City Manager

SUBJECT: PROPOSED LAWSUIT TO EXTEND REITER DRIVE RIGHT OF WAY

DATE: June 9, 2014

SUMMARY:

Attached are the following documents:

- Portion of Village Addition Plat Map with notation concerning right of way;
- Assessor Map of Village Addition; and
- Tentative Plan Map for Pine Ridge Place Subdivision.

BACKGROUND:

This agenda item is for the Council to decide whether to authorize the City attorney to file a lawsuit for a right of way across a vacant lot-- Parcel "A" at the end of Reiter Drive. The City attorney hopes to obtain a default judgment with no trial.

Norm Poole, Inc. is planning a new subdivision, Pine Ridge Place, and proposes to extend Reiter Drive to the subdivision (see Tentative Plan Map). The plan has received tentative approval from the City and County. Reiter Drive was dedicated to the City in the 1970s when the City approved the Village Addition Plat Map (see Portion of Village Addition Plat Map). On the Plat Map, Reiter Drive terminates at the south boundary of Parcel "A". There is a notation at the bottom of the Plat Map which says: "Parcel 'A' shall be retained by present owner until the City of Ontario requires it for a public right-of-way". The City and County failed to require the developers of the Village Addition to formally dedicate the right of way across Parcel "A" when the Plat Map was approved. Therefore, the "present owner" named in the Plat Map continued to have an ownership interest in the Parcel "A" after the Plat Map was approved.

If authorized by the Council, a civil complaint would be filed in Malheur County Circuit Court asking the Court to declare that the City needs Parcel "A" for a right of way and that a judgment should be entered dedicating Parcel "A" to the City for an extension of Reiter Drive and other right of way purposes. The defendants in the lawsuit would be the persons that claim any ownership interest in Parcel A.

With one exception, the owners of Parcel "A" are either deceased or their whereabouts are unknown. Those owners are the original developers. When the Village Addition Plat Map was approved in the 1970s, the developers that owned the underlying land were Ivan Getman, Maureen Getman, Floyd Blankenbaker, Michael Fisher and Ray L. Tarter.

Ivan Getman and his ex-wife, Maureen Getman (Maltsberger) are deceased, and no probate was done of their estates. The City attorney has been in contact with the last wife of Ivan Getman and a daughter of Maureen Getman and they do not oppose the City's effort to acquire a right of way across Parcel "A". However, they have no legal authority to execute deeds to Parcel "A" because none of the Getman heirs have been appointed as personal representative of the Getman estates.

The whereabouts of Floyd Blankenbaker and Michael Fisher are unknown. The City attorney wrote a letter to an address in Virginia that may have been used by Floyd Blankenbaker, but received no reply to the letter.

Ray L. Tarter is living in Meridian, Idaho, and did cooperate by signing a quitclaim deed to the City, so it will not be necessary to join him as a party in the litigation.

Malheur County has treated Parcel "A" as tax exempt property until now, so no one has been paying taxes on it. However, after researching the ownership issue, the Assessor is putting it back on the tax rolls until the City's litigation is concluded and the Court puts Parcel "A" into the City's name.

Assuming that no one opposes the City's complaint and that the City is able to acquire a default judgment dedicating Parcel "A" to the City, the City attorney estimates that the total cost of the litigation will be around \$3,000. That includes the attorney fee (approximately \$1,500), the publication of summons in the newspaper, the cost of a title report and various recording fees.

RECOMMENDATION:

Staff recommends that the City Council authorize the City to acquire Parcel "A" in the Village Addition subdivision for right of way purposes.

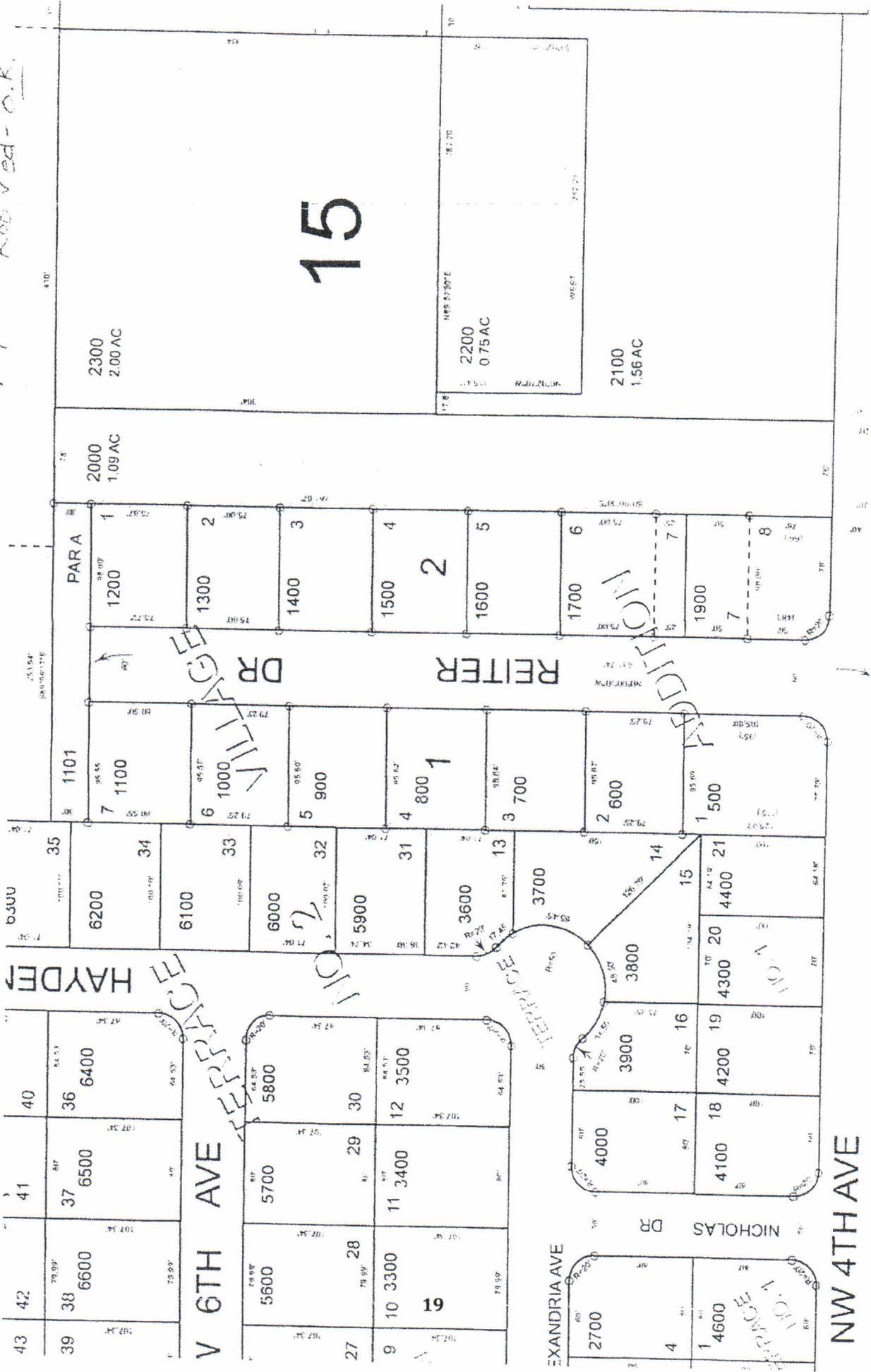
PROPOSED MOTION:

I move that the Mayor and City Council authorize the City attorney to file a lawsuit in Malheur County Circuit Court to acquire Parcel "A" in the Village Addition subdivision for an extension of Reiter Drive and other right of way purposes.

D.O.R. MAP 18347E04BC

REV'S. ON 2/4/14

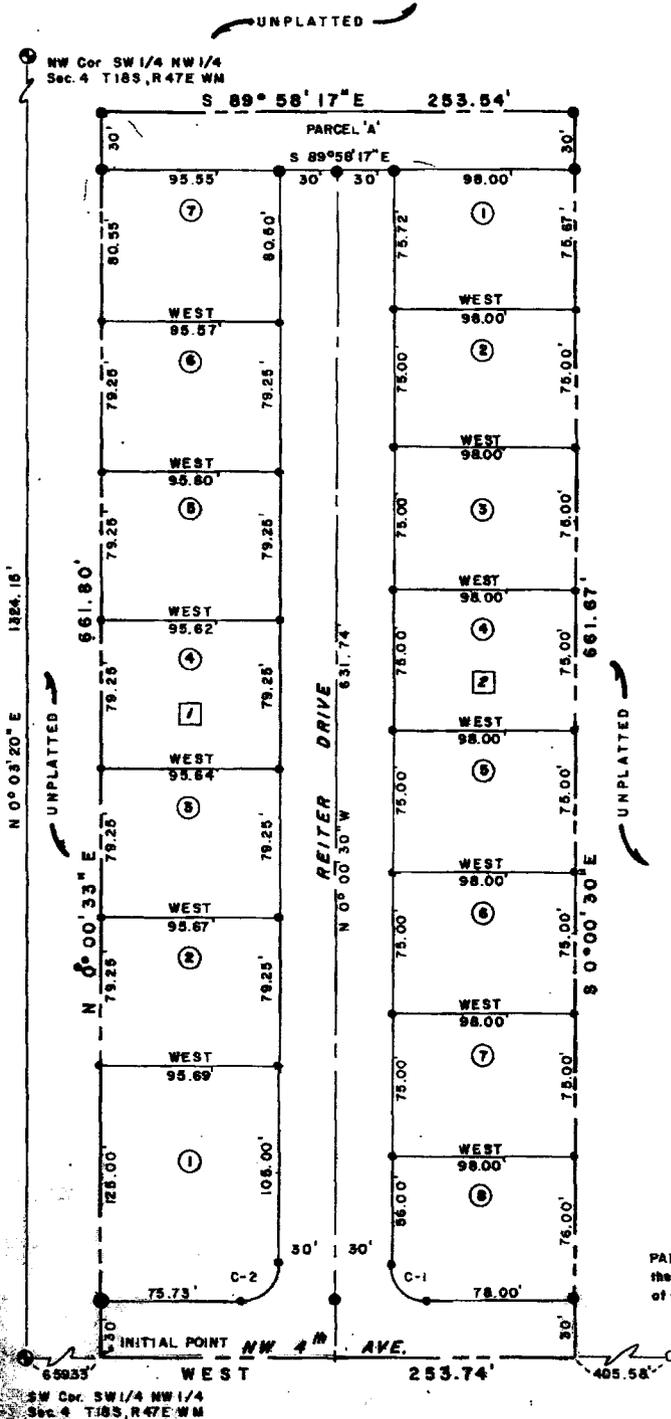
Rob Ved - O.K.



VILLAGE ADDITION

TO
ONTARIO, MALHEUR COUNTY

PREPARED BY
GASCHLER & ASSOCIATES



LEGEND

- SUBDIVISION LINE
- LOT LINE
- ⊙ LOT NUMBER
- Ⓚ BLOCK NUMBER
- ⊠ MONUMENT SET
- 2" PIPE
- 5/8" BAR
- 1/2" BAR
- ⊙ MONUMENT FND
- ⊙ BRASS MON.
- ⊙ 5/8" BAR

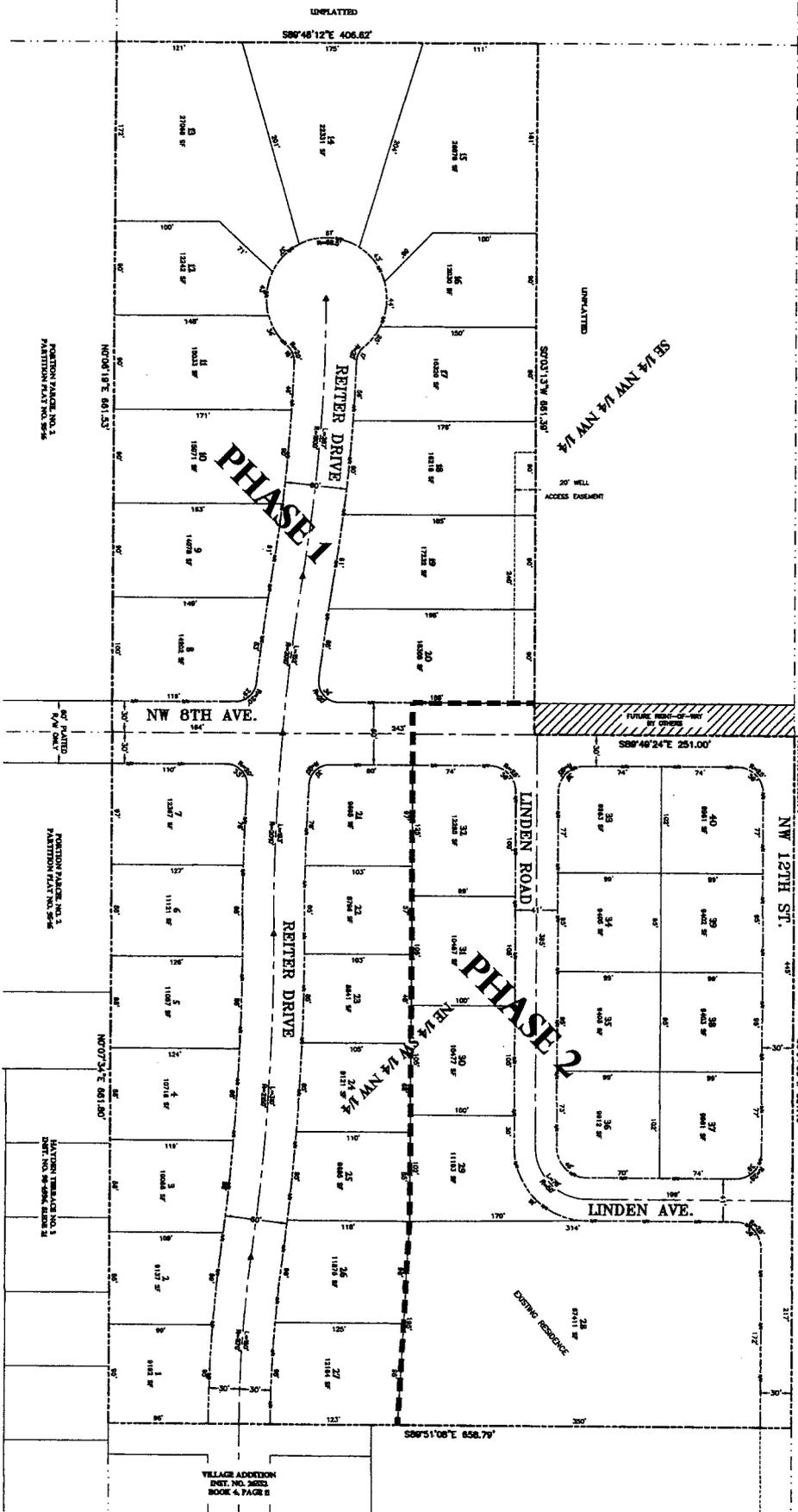
CURVE TABLE

NO.	ARC	RAD	Δ ANGLE
C-1	31.41'	20.00'	89° 58' 30"
C-2	31.42'	20.00'	90° 00' 30"
NO.	TAN	L.C.	BEARING TO C.
C-1	20.00'	28.28'	N46° 00' 18" W
C-2	20.00'	28.28'	S44° 59' 35" W

SCALE 1" = 60'



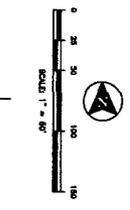
PARCEL 'A' shall be retained by present owner until the City of Ontario requires it for a public right-of-way.



LEGEND

- Subdivision Boundary
- 1/4, 1/8, Section Line
- Utility Easement
- Road Right-of-Way
- Road Center Line
- Lot Line
- Lot Number

**TENTATIVE PLAN MAP FOR
PINE RIDGE PLACE SUBDIVISION**
A PORTION OF THE NW 1/4 OF SECTION 4
TOWNSHIP 8 SOUTH, RANGE 47 EAST, WILLAMETTE MERIDIAN
CITY OF OREGON, MULTNOMAH COUNTY, OREGON
2014



SHEET INDEX

1. PRELIMINARY PLAN	2. TENTATIVE PLAN	3. TENTATIVE PLAN (CON'T)	4. OWNER'S DEVELOPER'S PLAN
---------------------	-------------------	---------------------------	-----------------------------

ENGINEER
T-O ENGINEERS
332 N. BROADMORE WAY
NAPPA, IDAHO 83857-0123
(208) 443-4300
www.t-o-engineers.com

SURVEYOR
T-O ENGINEERS
332 N. BROADMORE WAY
NAPPA, IDAHO 83857-0123
(208) 443-4300

ACRESAGE SUMMARY

TOTAL LOT ACRES	11.18
TOTAL LOT AREA (SQ. FT.)	482,880
TOTAL LOT AREA (ACRES)	11.18
TOTAL LOT AREA (ACRES)	11.18

EXHIBITS
1. OWNER'S DEVELOPER'S PLAN
2. TENTATIVE PLAN
3. TENTATIVE PLAN (CON'T)



SHEET 1 OF 4

**TENTATIVE PLAN MAP FOR
PINE RIDGE PLACE SUBDIVISION
LOT DIMENSIONS**

T-O ENGINEERS
CONSULTING ENGINEERS, SURVEYORS & PLANNERS
332 N. BROADMORE WAY
NAPPA, IDAHO 83857-0123
PHONE: (208) 443-4300 FAX: (208) 443-4304
OFFICES ALSO IN BOISE, IDAHO COEUR D'ALENE, IDAHO

NO.	REVISIONS	DATE	BY	APPROVED

REGISTERED PROFESSIONAL ENGINEER
T-O ENGINEERS
NOV. 28, 2004
T-O ENGINEERS
EXPIRES: 12/31/22

AGENDA REPORT – PUBLIC HEARING

June 16, 2014

TO: Mayor and City Council

FROM: Kari Ott, CPA

THROUGH: Tori Barnett, Interim City Manager

SUBJECT: RESOLUTION #2014-120: DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES

DATE: June 09, 2014

SUMMARY:

Attached is the following document:

- Resolution # 2014-120

The purpose of this agenda item is to “Declare the City’s Election to Receive State Revenue” pursuant to ORS 221.770.

BACKGROUND:

The City of Ontario Budget Committee held public hearings on May 20, 21, and 22, 2014. The 2014-2015 annual budget contains revenue sharing from the State of Oregon. The City Council held a public hearing on June 16, 2014 giving the citizens an opportunity to comment on the use of State Revenue Sharing, pursuant to ORS 221.770.

FINANCIAL IMPLICATIONS:

The financial implication is that the City will be able to share in State Revenue that is shared with cities throughout Oregon.

RECOMMENDATION:

Staff recommends the City Council adopt Resolution #2014-120.

PROPOSED MOTION:

I move the City Council adopt Resolution #2014-120, **A RESOLUTION DECLARING THE CITY’S ELECTION TO RECEIVE STATE REVENUES** for the fiscal year 2014-2015.

RESOLUTION #2014-120

A RESOLUTION DECLARING THE CITY’S ELECTION TO RECEIVE STATE REVENUES

WHEREAS, The Ontario City Budget Committee held public hearings on May 20, 21, and 22, 2014; **and**

WHEREAS, The City Council held a public hearing on June 16, 2014 giving citizens an opportunity to comment on the use of State Revenue Sharing.

NOW THEREFORE, BE IT HEREBY RESOLVED by the City Council for the City of Ontario:

Pursuant to ORS 221.770, the city hereby elects to receive state revenues for fiscal year 2014-2015.

EFFECTIVE DATE: Effective immediately upon passage.

PASSED AND ADOPTED by the City Council of the City of Ontario this ____ day of _____ 2014, by the following vote:

AYES:

NAYES:

ABSENT:

APPROVED by the Mayor this ____ day of _____, 2014.

LeRoy Cammack, Mayor

Tori Barnett, MMC, City Recorder

I certify that a public hearing before the Budget Committee was held on May 20, 21 and 22, 2014 and a public hearing before the City Council was held on June 16, 2014, giving citizens an opportunity to comment on use of State Revenue Sharing.

Tori Barnett, MMC, City Recorder

AGENDA REPORT – PUBLIC HEARING

June 16, 2014

TO: Mayor and City Council

FROM: Kari Ott, CPA

THROUGH: Tori Barnett, Interim City Manager

SUBJECT: RESOLUTION #2014-122: ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2013-2014

DATE: June 09, 2014

SUMMARY:

Attached is the following document:

- Resolution # 2014-122

The purpose of this agenda item is to adopt and appropriate the budget; impose taxes upon taxable property; and categorize the taxes imposed.

BACKGROUND:

The City of Ontario Budget Committee held public hearings on May 20, 21, and 22, 2014 and approved the 2014-2015 annual budget. The City Council held a public hearing on June 16, 2014 giving the citizens an opportunity to comment on the annual budget for 2013-2014

FINANCIAL IMPLICATIONS:

The financial implication is that the City adopts and appropriates the annual budget in the amount of \$27,201,632.

RECOMMENDATION:

Staff recommends the City Council adopt Resolution #2014-122.

PROPOSED MOTION:

I move the City Council adopt Resolution #2014-122, A RESOLUTION TO ADOPT AND APPROPRIATE THE ANNUAL BUDGET FOR 2014-2015, IMPOSE THE TAXES UPON TAXABLE PROPERTY, AND CATEGORIZE THE TAXES IMPOSED FOR THE FISCAL YEAR 2014-2015.

RESOLUTION #2014-122

A RESOLUTION ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2014-2015

WHEREAS, the City of Ontario Budget Committee held advertised public hearings to review the proposed budget; **and**

WHEREAS, the Budget Committee approved a revised budget for review by the Ontario City Council; **and**

WHEREAS, the City Council having held an advertised public hearing at 7:30 p.m. on June 16, 2014, wishes to adopt the approved Budget as recommended.

NOW THEREFORE, BE IT HEREBY RESOLVED that the Ontario City Council, hereby adopts the annual budget for Fiscal Year 2014-2015 in the total of \$27,201,632 now on file at Ontario City Hall.

BE IT RESOLVED that amounts for the annual budget for the fiscal year beginning July 1, 2014, and for the purposes shown below are hereby appropriated as follows:

001 - GENERAL FUND		Appropriated Budget 2014-2015
1	Personnel Services	4,415,024
2	Materials & Services	1,642,120
3	Capital Outlay	27,355
4	Debt Service	5,979
5	Interfund Transfers	307,550
6	Contingencies	961,545
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	7,359,573
005 - GOLF COURSE FUND		Appropriated Budget 2014-2015
1	Personnel Services	0
2	Materials & Services	293,750
3	Capital Outlay	13,800
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	0
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	307,550
010 - GRANT FUNDS		Appropriated Budget 2014-2015
1	Personnel Services	0
2	Materials & Services	0
3	Capital Outlay	1,209
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	0
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	1,209

025 - PUBLIC WORKS FUND		Appropriated Budget 2014-2015
1	Personnel Services	123,951
2	Materials & Services	1,653,005
3	Capital Outlay	40,000
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	0
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	1,816,956
027 -- BUILDING FUND		Appropriated Budget 2014-2015
1	Personnel Services	58,138
2	Materials & Services	92,290
3	Capital Outlay	0
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	19,382
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	169,810
030 - CAPITAL PROJECTS FUND		Appropriated Budget 2014-2015
1	Personnel Services	0
2	Materials & Services	0
3	Capital Outlay	2,070,497
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	1,233,254
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	3,303,751
031 - SDC FUND		Appropriated Budget 2014-2015
1	Personnel Services	0
2	Materials & Services	0
3	Capital Outlay	40,500
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	142,540
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	183,040
035 - DEBT SERVICE FUND		Appropriated Budget 2014-2015
1	Personnel Services	0
2	Materials & Services	0
3	Capital Outlay	0
4	Debt Service	69,187
5	Interfund Transfers	0

6	Contingencies	219,181
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	288,368

045 - STREET FUND	Appropriated Budget 2014-2015
--------------------------	----------------------------------

1	Personnel Services	20,410
2	Materials & Services	1,597,229
3	Capital Outlay	328,601
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	931,927
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	2,878,167

050 - TRUST FUNDS	Appropriated Budget 2014-2015
--------------------------	----------------------------------

1	Personnel Services	0
2	Materials & Services	465,750
3	Capital Outlay	0
4	Debt Service	0
5	Interfund Transfers	7,500
6	Contingencies	0
7	Special Payments	0
10	TOTAL REQUIREMENTS.....	473,250
*	Unappropriated Ending Balance	179,954

055 - RESERVE FUNDS	Appropriated Budget 2014-2015
----------------------------	----------------------------------

1	Personnel Services	0
2	Materials & Services	0
3	Capital Outlay	144,193
4	Debt Service	0
5	Interfund Transfers	302,537
6	Contingencies	255,702
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	702,432
*	Reserved for Future Expenditures	1,050,500

060 - REVOLVING LOAN FUND	Appropriated Budget 2014-2015
----------------------------------	----------------------------------

1	Personnel Services	0
2	Materials & Services	596,177
3	Capital Outlay	0
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	0
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	596,177

105 - WATER FUND		Appropriated Budget 2014-2015
1	Personnel Services	18,947
2	Materials & Services	1,638,335
3	Capital Outlay	625,866
4	Debt Service	294,822
5	Interfund Transfers	199,505
6	Contingencies	1,292,382
7	Special Payments	0
10	TOTAL REQUIREMENTS.....	4,069,857
110 - SEWER FUND		Appropriated Budget 2014-2015
1	Personnel Services	4,856
2	Materials & Services	1,456,520
3	Capital Outlay	317,256
4	Debt Service	858,090
5	Interfund Transfers	205,632
6	Contingencies	380,753
7	Special Payments	0
10	TOTAL REQUIREMENTS.....	3,223,107
115 - STORM SEWER FUND		Appropriated Budget 2014-2015
1	Personnel Services	0
2	Materials & Services	63,986
3	Capital Outlay	59,000
4	Debt Service	0
5	Interfund Transfers	7,398
6	Contingencies	370,298
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	500,682
120 - AIRPORT FUND		Appropriated Budget 2014-2015
1	Personnel Services	33,937
2	Materials & Services	18,265
3	Capital Outlay	0
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	0
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	52,202

125 – AQUATIC FUND		Appropriated Budget 2014-2015
1	Personnel Services	22,190
2	Materials & Services	18,065
3	Capital Outlay	0
4	Debt Service	0
5	Interfund Transfers	0
6	Contingencies	4,792
7	Special Payments	0
8	TOTAL REQUIREMENTS.....	45,047
Total Appropriations, All Funds		25,971,178
*Total Unappropriated and Reserve Amounts, All Funds		1,230,454
TOTAL ADOPTED BUDGET		27,201,632

IMPOSING THE TAX

BE IT RESOLVED THAT THE Ontario City Council hereby imposes the taxes provided for in the adopted budget at the of \$4.8347 per \$1,000 of assessed value for operations, and that these taxes are hereby imposed and categorized for tax year 2014-2015 upon the assessed value of all taxable property within the district.

CATEGORIZING THE TAX

BE IT FURTHER RESOLVED that the Ontario City Council categorizes the taxes as follows:

General Government Limitation		Excluded from Limitation
General Fund	\$4.8347 / \$1,000	\$0.00

EFFECTIVE DATE: Effective July 1, 2014.

PASSED AND ADOPTED by the City Council of the City of Ontario this ____ day of _____ 2014, by the following vote:

AYES:

NAYES:

ABSENT:

APPROVED by the Mayor this ____ day of _____, 2014.

ATTEST:

LeRoy Cammack, Mayor

Tori Barnett, MMC, City Recorder

Discussion/Information /Hand-Out Items

City Council Meeting
June 16, 2014



City of Ontario

POLICE DEPARTMENT

Office of the Chief

444 SW 4th Street

Ontario, OR 97914

Voice (541)889-5312 Ext. 2303

Fax (541)889-3026

mark.alexander@ontariooregon.org

To: Ontario City Council

Date: June 2, 2014

Re: Department Statistics for May, 2014

Activity	Month of May	Previous Month	Year to Date	Prior Year to Date
Calls for Service	943	873	4074	3895
Traffic Stops	139	155	702	593
Cited Traffic Violations	51	97	348	322
Motor Vehicle Crashes	31	29	158	144
Arrests	96	80	398	441
Arrests w/ Use of Force	1	3	10	12
Citizen Complaints	0	0	2	1
Cases to Dist. Attorney	63	39	234	321
Ordinance Cases Total	65	70	266	277
Ordinance-Weeds	34	22	57	28
Ordinance-Garbage	0	4	20	20
Dogs to Ani-Care	9	5	39	40
Junk Vehicles	1	1	4	13
Death Investigations	0	1	2	7
SRO Cases	38	41	174	158
Gang Related Cases	23	8	41	45
Gang Designations	1	0	1	0
Task Force Cases	15	0	15	8
Graffiti	31	10	54	64
Burglary	6	9	33	37
Robbery	4	2	8	3
Larceny	53	52	214	223
Assault	5	8	44	32
Homicide	0	0	1	0
Sex Crimes	3	1	10	10
Sex Offender Registry *	17	18	119	116
Alarms	24	17	89	84
Property Loss/Recover	\$73,676/\$18,994	\$65,324/\$13,907	\$225,904/\$45,068	\$278,792 / \$98,472

*Registry includes initial registration along with change of address, occupation and annual registration

**CITY OF ONTARIO
PUBLIC WORKS COMMITTEE MEETING MINUTES
Wednesday, May 14, 2014, 3 P.M. M.T.
** Public Works Operations -- 1551 NW 9th Street ****

Meeting called to order at 3:00 p.m. by Dan Cummings, Public Works Committee Chairman.

Committee members present included Mr. Dan Cummings, Mr. Bernie Babcock, Mr. Ken Hart, Mr. Ron Cornmesser, and Mr. Riley Hill (Mr. Scott Wilson, & Mr. Mike Miller – excused).

Others present included Public Works Director Alan Daniels, Suzanne Mulvany, City Attorney Larry Sullivan, Councilor Larry Tuttle, Councilor Charlotte Fugate, Councilor Jackson Fox, and Larry Meyer, Argus Observer.

The press was notified; this meeting was recorded (the tape is available at the City Shop); the minutes are on file at City Hall and on the city's website at www.ontariooregon.org.

OLD BUSINESS

CITY OF ONTARIO UTILITY BILLING POLICY

RC – I prepared a policy based upon my understanding of what we currently are doing. Now what we think we need to do or any changes that we want to do just simply here is where we start. The staff has taken it and made some comments; primarily the only comment was that there is a 3 month grace period on new construction before any utility bills are applied, which we can incorporate into this policy. The idea is to have a written policy to provide guidance for the staff to cover most conditions that they have to deal with on setting up utility accounts and conducting them. I'm not sure if this was distributed to anyone other than just staff but we will get it out to all of the committee members for their input. After that I'm sure we'd like to have a discussion 'is this appropriated', 'is it not appropriated', is there other conditions that we need to consider, and how we think they need to be dealt with. And typically a policy (this is not a rule or a regulation) policies are usually established at the level of the Public Works Director position; it's typically a courtesy or an approval process that you take to the City Manager and the City Council for their review/comment and approval or dis-approval of how they want to do things. We're at that early stage because we haven't had a written policy in the past and the issue is where do we want to go?

DC – If you have them electronically why don't you just send them out to us and we will discuss it at our next meeting.

DISCUSSION – SEPTAGE RECEIVING FACILITY

- 1. Cost Accounting / Project Summary**
2. Contract - vs - Permit
3. CH2M Hill issues with Contract – 24/7

AD – The spreadsheet that was handout out in the lower right hand corner a dollar amount of (\$224,722.33) that was a journal entry. That was an internal adjustment from one fund to another; it was not an expense. So if you take that out of the total amount that has been expended it is \$269,929.77 to date, however that doesn't have the current labor.

RH – You just said that doesn't have the City labor charges added in. So we still have City Labor and equipment to add to this? So we really don't have an accurate accounting of this yet. There was an original amount, and then it was amended to a higher amount. Then the bids came in higher than the amended number so City forces thought they could do it cheaper, and so until we have the city forces we don't know where we stand on it.

SM – As shown on the handout top left hand corner the original 2009-10 budget was \$240,000; on 9/20/10 the Council approved additional funding to be moved from left over projects to total a budget amount of \$305,000. Minus expenses other than staff labor/equipment over the past 3-4 years of \$269,929.77 = \$35,070.23.

RH – I'm following, but what I'm not following is why every time we ask for the cost on a specific project within the City we never can find out what the City forces expensed were?

SM – The only expenses that are not in here are the most recent labor because we just put it in that I am aware of.

RH – I believe that is what you were given, but that is contrary to many of our meeting about how what was going on out there and when it was going to be functional. At least we were let to believe there has been ongoing work out there over the last year. So we can't report to the City Council that this is a "good project" a "bad project" or where we stand on it and it is frustrating. I believe the public is entitled to know.

AD – When its closed out we will have it all put together.

- *Continued detail explanation of reclassification of funds for fixed assets, or journal entry.*

JF – What is the system in place, the checks and balances? Who signs off on this if that would have gone to the finance department with a wrong line item? Can you explain everything that happens when any invoices come in? And who would sign off on them in Public Works?

SM – We go out for bid, get the Large Po (which goes through the process of Public Works Director & City Manager for approval), invoices come in, they are reviewed by whomever is in charge of the project, Bret or John or Bob, etc., they sign off that the work has been done, and then it goes to finance. With these being a CIP project they will come through me first because I have another spreadsheet that I compare to make sure that they are being tracked within the budget, and are hitting the correct line items. Also some of the CIP's have multiple line items that they might hit so I document them, and then they go to finance to get paid.

JF – So the City Manager originally signs off on the Large Po, and the Project Manager, whoever than is signs off that the work did happen, then also the Public Works Director, then to Suzanne.

AD – Well, Suzanne is not signing off on it just verifying the line items and budgeting.

SM – As far as these journal entries they are Audit journal entries for the fixed assets. That we have nothing to do with, we didn't even see these. These are after the year had been closed out. We were already into the next fiscal year and they would have back dated it to June 30th working on fixed assets moving money to the corrected funds. The Finance Director and Auditors make

these adjustments and it is out of our hands. That is why I was trying to get the answer from Kari before the meeting so that it was coming from the Finance Director/Auditor.

RH – I'm not here to play a blame game I'm here to try to find out how the system works and it appears to me when we got somebody from the accounting department that says it's \$487,917 spent on this project and you give one that says \$269,000 there's a big disparity.

SM – I don't know who wrote the \$487,000 some odd thousand at the top because whoever wrote that is just reading it just not 100% correct.

DC – Whoever wrote that just added up all end items and the real question in the difference is that \$224,000 ...

SM – because it's not an actual expense...
... *Interruption...*

RH – That can be dealt with at the Council level they are going to handle the bookkeeping and get all that straightened out. It appears to me that our job is to find out how much this job costs. That's our only charge we can't deal with the bookkeeping and until we get the labor going back to 2011 the City labor that was expended on this project the labor and equipment we are not going to know what this project costs.

DC – That is correct but my understanding right now this number right here is...
... *Interruption...*

RH – ... here it is lately within the last two months but someplace it should be available to find it.

KH – Is the intent to at least get a general idea? Because I don't think we have the accounting system in place that we allocated people to a job.

RH – This seems to be systemic because anytime we ask for labor figures we can never get them, or maybe we just spent a little bit of time, or maybe this or maybe that. We never get them and then it comes clear as a bell when you drive down Idaho Ave when you see what's going on down there taking trees out or go see 29' of curb replaced and you got nine guys on a two man job. Something is wrong here and nobody keeps track, and it's kind of our job to alert the Council to that so that they can be informed and know what to do.

AD – You are correct in that there was not cost accounting in the earlier stages. We are going to have to go back and estimate the dollars, but now on the current stuff that's been done in the last six months we have that on the job order and we account for the labor and the equipment; we will have all that when we close out the job order.

JF – What did Granite Excavation do out there for \$68,000?

AD – They did the site development, the roads, the concrete work, the pipe work, etc.

JF – What roads?

AD – There is a road that has to come up behind the office, and then there is a pad... so most everything on this has been contracted out.

LT – If you have been tracking this for six months why don't you have the figures? The longer you wait the higher the chance of errors and mistakes. If you've got that earmarked for this project why can't you at the end of the month within a couple days go and say okay this last month we spent \$XX for labor. It doesn't make sense to me. Doesn't anybody care how much this project costs? It's only been going on since 2010. I'm just speaking for myself sitting on the Council that is unacceptable. When I get a report on this project and there is no labor on there for this whole year and that's when most of the labor has been expended by the City crew, that isn't acceptable to me and somebody needs to get the figures.

KH – I have a point just to the finance group; I wish someone from the finance department were here but, those then cost would be capitalize-able and so when you as a Councilor are looking at your financials your financials are wrong. Because all of these labor costs have been expensed and then at the end of the year the accountants come in and do a big journal entry and move all those costs to a capitalized, because this all needs to be capitalized once the project is done and then depreciated over a period of time.

BB – Are these monies secured from the state or are they handled as traditional public funds? The reason I'm asking is at some point in time the City made a decision to exempt out from the traditional Public Works or as a Public Works project is subject to prevailing wages and if the public entity makes a decision to exempt out of the process, in other words you determine that it was too expensive to complete the project using the prevailing wage and the bidding process. So the City made a decision that they could do it more affordably than a contractor coming in under prevailing wage and generally the rule is above \$125,000 you have to have formal specs and you have to have an accountability process that's subject to public scrutiny. And I think in most instances from what I see you have that except for the labor piece, and so I'm assuming the City Council recognizes when they make the decision to direct city staff to complete the project because we can do it more affordably at some point in time that has to stand the test of public scrutiny.

AD – Yes, because the bid that came in put us \$20,000 over the \$305,000 budget.

BB – So at this point in time without the labor in there, you have saved \$35,000.

JF – When it came to the City Council, at that time it was Bob Walker, and he told us that it had been approved by the Public Works Committee, we were not getting Public Works Committee minutes at that time and so we really go on that I ask the question every time on Public Works projects. Has this gone through and have the approval of the Public Works Committee? Only until recently did we start receiving minutes from your committee.

RH – The other side of the coin is the \$20,000 would have been spent, how much revenue would have come into the City over that two year period that nothing happened that would have offset that \$20,000?

DC – It seemed like in the proposal there was a 5-year return. We are two years into that so in my mind we can take the total cost divide it by 5 years and come up with a loss figure there too.

RH – And to answer Mr. Fox's question Public Works Committee was not kept up to speed on the Septage Facility.

DC – No, but what I think he might be referring to is at the initial, when the project was first started in 2009 as I remember it was brought in front of us; then the change was also brought to us.

JF – You guys recommended doing it; we never looked into it really after we heard that.

BB – I'm assuming that recommendation would have been based on a completion date a few years prior to today's date. I do remember that conversation that there was some excitement because this was one of few things that could be undertaken that would generate revenue.

RH – It was based on a recommendation of staff and a budget that they put in front of us and a completion time that they put in front of us.

DC – And you bring a good point up and that's why we're at where we're at right now asking for it and that's Accountability ... to the Council, to the Public, to everybody... what did this project cost.

BB – And I'm going to advocate just from my experience there are times where you are better off outsourcing something and having it done simply because you don't have the resources to do it; It's none of my business in this particular case because I'm not there doing it but obviously that's what the Public Works department has to weigh and evaluate. Do we really have the time to complete it and all of those contractors associated with that.

DC – Based on that my recommendation or motion from this committee might be that staff needs to come up with those costs because it's required.

BB – And we need to get it finished so we can start generating revenue.

RH – I agree with your comments but we're still going to be lacking some place. We are going to have to ask for the 6 months that they think they can track plus the 3 ½ years are going to be ...

DC – We are going to do a recommendation towards it. Because it sounds like to me without the actual tracking to actually come up with the true numbers somebody is going to have to take all the timesheets of all the employees and go through them and look at them and see what was billed against that job. So that is going to take staff time and money; so that is up to the Council.

RH – Based on other discussions here those timecards rarely come in with a job cost or whatever the job is there are just hours on there; nobody signs off what it was for or anything else. That is what we've been told in the past, and so I think tracking that is going to have to be somebody's estimate.

BB – My opinion is and Riley is correct it's going to be pretty hard to resurrect that I would just try to come up with the most accurate cost accounting that you possibly can within reason and just make changes moving forward so that when you choose to take on a Public Improvement project using City Staff that you have the appropriate accounting procedures in place so that you can demonstrate to the public that there was truly a cost savings.

RC – When you make your estimates you need to record how you came about those estimates.

The motion was made by Mr. Hill, seconded by Mr. Babcock, stating that the Public Works Committee recommends to the City Council that they ask for an accurate accounting of the Septage Facility Project including city labor and equipment: Motion passed unanimously (Wilson & Miller – excused).

SEPTAGE RECEIVING FACILITY.. CONTINUED

1. Accounting.
2. **Contract - vs - Permit**
3. **CH2M Hill issues with Contract - 24/7**

DC – Before we discuss the contract part, need to discuss some issues. My understanding when we approved this is that this station would run un-manned and they would have a card and it is going to be available 24 hours a day 7 days a week. Now my understanding is there could be some huge issues with that not being able to track that if somebody comes in there say like in one night three different outfits come in there and one of them has some bad stuff and you don't know which one did it. At the same time that tells me that the hours can't be unmanned. I would like to discuss these issues.

AD – There is an inline PH meter which will give some indication. There is also a card reader that says when it comes in and there will be a camera system on it so you will be able to see, however you don't know what's in the truck.

BB – How does the inline meter work, electronic?

AD – Yes it's electronic, and it records.

BB – Does it have a way to stop the disposal?

RH – What if they have nuclear waste?

AD – They can also take it to the clean out at the fairgrounds I mean they're not going to come out and be on camera if they got something like that they'll go dump it down a manhole.

RC – Just because you have the ability to accept it 24/7 doesn't mean the City has to accept it 24/7. The issues that I have is that in my experience is that if somebody is going to dump something bad and they have the opportunity to do it at night and there is nobody around, that's when they do it. Whether you have a camera or not; you can dump and organic compounds that the PH won't even change. And so the other issue is that when treatment plants are receiving hold ways and I know we are trying to limit this to septic tank ways only but once in a truck it can be any kind of hold ways. When you do have a problem from the haul discharge it is usually detected and caught by operators, and installed PH meters have lots of problems, not only in detecting pollutants that don't really have a PH change and also their installation their calibration, and everything else and even if you detect a change in the PH unless you can prove all your Q.A.Q.C. and maintaining that PH meter you can't enforce it.

The other thing Septic waste hauling is not an emergency operation. Very few places can they dump 24/7 or have a need to dump 24/7. So my advice is that in the control document that you use for them is that you limit their discharge to operating hours and have somebody periodically goes by and checks the plant during those operating hours.

BB – I would ask to inspect some kind of profile at some point in time as necessary. I know that every time I get waste picked up on my campus I have a standard profile for my waste stream; I have to account for that from the cradle to the grave.

RC – There's problems with that. That would be ideal but there are problems. The waste is going to be made up of more than one facility probably, they're residential, the residence don't know how to make the profile, the waste pumper doesn't want to spend the time to do a profile, but the profile essentially is that the waste pumper manifests and identifies the source of it. Its a residential septic tank and nothing else is going into it, if it's a commercial septic tank and no processed water is going into it, it's industrial and no processed water is comes into it. And then you can do random testing and I know there was some discussion with CH2M about maybe testing every load but the man hours involved in collecting the samples and then what are you going to analyze for? Are you going to spend 2, 3, or \$4,000 in analysis or are you going to collect one sample and run that and test it for BOD that you know is going to be 13,000 mg pr/ltr and the accuracy of it @15 ... etc.

There are just a number of issues that need to be looked and you need to control the area. If you set the price too low you will receive semi-truck loads, and you don't have that big of a treatment plant.

- *Continued discussion...*

RC – I have committed to paper my response to each one of the concerns from CH2M Hill. I know the City staff has been working on an agreement for the septage haulers, which constitutes a contract. Unfortunately the use of contract is not recognized by the EPA as a control document. It can be a service document but it can't be a control document. The reason is that if it's a contract in order to enforce the terms of a contract you go follow contract law; you have different steps, you go to courts, you try to get arbitrators and negotiators, which is not an acceptable document that is acceptable in the EPA. Now you have to throw the EPA and the DEQ in here because the City operates under a National pollutant elimination discharge permit. That means you have to meet their criteria when you start dealing with what comes into that treatment plant.

I went through and prepared a sample permit; I've written dozens of these and it discusses all of the primary issues that are concerned with regulating in controlling what comes into plant including the types of enforcement actions that are available to the City to take. Usually I have an Ordinance that will support them, but we don't. We have numerous Ordinances with many overlapping criteria and bottom line is they don't meet the entire National pretreatment standards that are required in those NPDS Permits that since is ours is an old permit right now you don't see that written in the permit but new one will have it. So I took the liberty in putting them into the permit as a condition of the permit. It's a weak argument but it is enforceable; we will be using the City Attorney very heavily if we have to.

In a permit we can authorize the Wastewater Treatment Supervisor to halt, or discontinue, or refuse a haul load. This is not terminating their permit it's just saying you cannot discharge that; for some reason there's something in it, doesn't look right, smells bad, high PH, low PH, etc. they can halt that. The Permit also authorizes load testing; whenever the City wants to pull a sample they can pull a sample, they can analyze it and they can make the waste hauler pay for the analysis. It also specifies the methods that will be used for collecting samples the analytical methods for analyzing them and the detection capabilities of the analysis and the recovery of the costs.

- *Continued... detailed review of permit...*

DC - Our last recommendation apparently didn't get to the Council was this Committee recommended through staff that they do a permit and not a contract.

RC - In your City Ordinance that authorizes the reception of septic waste it states in there that the permit haulers or the pumpers will be issued a permit; so it says right in the ordinance that a permit is the control document. It makes it really simple, it makes it simpler to enforce, and it's clearer to how it's going to be implemented. It does not set rates; however, rates are set by resolution.

AD - To clarify in my last discussion with the City Council about this was that the understanding was that what we had wasn't adequate and it needed to come back to the Public Works Committee for some work; as Councilor Fugate said "It wasn't ready for prime time", we weren't ready. So it was discussed but it was decided to be brought back and part of that was in relation to the CH2MHill objections.

LS - I received the document from Bob Walker who asked me to do a quick review of a document that he presented and to get it back to the Council with the understanding that everything was ready to go everything was in place except for the approval of the final document. That was of course before CH2MHill had an opportunity to look at the whole project and as far as I'm concerned the City Attorney were back to the drawing board. And getting an actual permit drafted at this point probably is the last step after a whole lot of other questions are answered about the scope of what the Septage Receiving Center is going to be doing. In other words we've got a lot of questions to answer in my own mind before I'm in a position to take another cut at doing a permit; I can guarantee you that it will be a permit, it won't be a contract.

DC - So not knowing ... and I'm guessing we need to put the permit on hold until we get an answer to the 24/7 issue.

RH - It seems to me that we should pass out his recommendations to the committee and the staff to review and look at before we can pass on a recommendation to the City Council.

DC - I agree with that but do not know where we set with a time element though?

BB - I would like to formally recommend from this committee that Mr. Cornmesser work with City Staff essentially because you've been directed by the City Council to direct it back to the Public Works Committee that he work with City Staff, and Mr. Sullivan can amend the resolution.

RC - I've written the Permit so that if we need to implement this as soon as possible to start getting a dischargers that the permit will cover all those issues that I would recommend in the changes to your sewer ordinances, but you've got to clean up your ordinances.

BB - Does the current City Ordinance authorize the City to start receiving septage in its current form?

RC - Yes

BB - And is it adequate to protect the City in terms of where we are at now?

LS - Yes.

RC – No. If you look at the prohibitions, No it doesn't protect it. But if you look at issuing a permit which you have the authority to do, the permit will protect it; then you go in and clean up your ordinances. It's not authorizing you to do anything new it's just making that ordinance enforceable and supporting what you want to do.

BB – When will the facility be operational?

AD – The facility is ready now.

The motion was made by Mr. Cummings, seconded by Mr. Babcock, stating that the Public Works Committee table this item and defer it back to Council and Staff to come back to this Committee on how they want us to proceed: Dan Cummings – yes; Bernie Babcock – yes; Ken Hart – yes; Ron Cornmesser – yes; and Riley Hill – no; Motion passed 4/1/2 (Wilson & Miller – excused).

TWO YEAR REVIEW OF SDC RATES

DC – I had this added because I didn't remember us finalizing it. Back in December we made a recommendation to staff to meet that two year criteria we felt that if they would present to us a report on how much money had come in through the SDC fund and how much had been had been spend out that we could meet that two year review requirement that is required by ordinance to that point.

RH – My recollection of it was that we met the review process, we discussed it here and we agreed to leave it as it was.

RC – Didn't we look at the construction rates of Seattle and Portland?

DC – Great, then that is off the table.

NEW BUSINESS

CONTRACT OPERATIONS UPDATE

LS – This is another work in progress we're in the middle of negotiating with CH2M Hill on the terms of a contract. They presented us with basically a boiler plate type contract originally, that's been refined. They came out, spent a lot of time with the City looking at its operations and developed a series of appendices that they're attached to the basic boiler plate contract. I had a long meeting yesterday with your Chair and several Public Works Staff to go over primarily the appendices, but then also the main body of the contract to get input from Public Works as to how the Public Works department is actually operating and what the ramifications would be if having CH2M Hill come in; what changes that would work and the Public Works operations based upon what CH2M Hill is proposing. As a result of that discussion I sent them a revision in the contract, that's what you have in front of you, they just received that this morning. We've got a conference call scheduled tomorrow morning to discuss some of those changes. So again the document you have in front of you is not going to be the final document but it's likely to be presented to the Council; that probably is going to be amended before the Council sees the final version of it. The Council did request that the Public Works Committee have an opportunity to look at the most

current contract document because they wanted some feedback from you folks as to that document. You haven't had a long time to digest that, I realize that and it is a large document it's 42 pages. I can go through and give you a fairly quick overview of how the document is organized if you would like me to. If on the other hand those of you have had an opportunity to look at it want to take the time available to raise issues or concerns we can do it that way. I'll take your time today in the way you think is most productive.

RH – Does this give them some kind of a lock of all the future City Business?

LS – No, this is still subject to the public contracting laws when project come up that they're going to have to bid on any capital improvement projects for instance. Work on capital improvement projects aside from the tasks they said they'd perform are outside the scope of this contract.

RH- Are there any intricacies in here that allow CH2M Hill to slide another bill in here that's just small bills that you know is just testing or this or that could be hidden charges that you wouldn't know about up front?

LS – There's a process in the contract that allows CH2M Hill to invoice the City for charges that are above the base fee; so the answer is yes, it's possible for them to submit small bills to the City. But those bills would be invoice and be handled the same way any other invoices would. The fact that CH2M Hill's name is on it is going to be a red flag of course because if the City enters into this contract is going to be paying CH2M Hill \$4.8 million; so the question is going to become why is that not included in the base fee? So that will always be asked.

AD – Page 7 #13.1 covers the start of that.

BB – How much time was spent on the front end in terms of the specifications for the outsourcing of City services before Request for Proposals..? Because normally the way this would work would be that you wouldn't rely on the vendor to come in and meet with City Staff to go through job descriptions and all that. There's going to be a lot left out I think that's fraud for challenges. Normally what you'd do is you'd prepare all the specifications all the job descriptions everything up front, all the scope, all that would be done ahead of time before you would even consider hiring a contractor. So that was done?

AD – We put out Request for Qualifications, we developed a scope, we used about \$10,000 for the City staff time, we did track that; to provide a scope of all the different services that Public Works provides that was provided to them. But when they came back and they were the qualified bidder they came back and spent probably a week or more reviewing what we had done asking questions going to all the different facilities, but we did provide them with a very detailed scope.

BB – So when you requested vendors for qualifications to certify you only received one right? Why was that? Is that outside of the scope of normal?

JF – I don't know that anybody knows why, but we know that three people did receive packets.

RC – I can tell you why, the project is too small. CH2M Hill has a facility that they operate here; they have facilities, maybe not for treatment but they have offices in Boise and around so they can provide support for this project. Other companies don't have too many facilities around here with

the exception of United Water; right now United Water is making bids on large Cities and not small projects.

BB – So outside the scope of Wastewater Treatment, Street repairs, etc. is it common of all this in this scope to be outsourced for a City of our size?

RC – Yes.

- *Continued discussion*

KH – What are the key points that we want to make getting in the paper?

LS – It's a 5-year renewable contract; it renews automatically unless terminated before 120 days before the end of the 5-year period. CH2M Hill is charging a base fee of \$4.8 million, included within that base fee is a \$535,000 repair number which they budgeted to do repairs for the City. There's a definition in there of what constitutes a repair and when that repair budget will be used. If the repair budget isn't used up that gets rebated to the City, but the likelihood of that ever happening is probably zilch. If the repair budget gets exhausted then they have the right to come back to the City and ask for additional money. As part of that \$4.8 million they are providing all the labor all the personnel; they are also providing maintenance equipment, fuel, Public Works Services with the exception of managing Recreation programs, running the Planning department, and running the Building Inspection program.

BB – Obviously the City Council is considering moving forward with this so there must be some estimation or projection of savings for this -vs- current operations?

LT – There is.

BB – Is that publicly expressed yet?

LT – I don't think it's final. We've had a couple curves thrown at us through the public works department as far as the budget; it's gone back and forth.

RC – What are the provisions for Capital Projects?

LS – They will assist the City in doing planning with respect to Capital Projects, but all capital improvement programs are on the City's dime essentially.

KH – So all public works staff in effect would then resign at a certain period and if they wanted apply for a job under the new entity; again they would be employees of CH2M Hill with benefits...etc.

LS – What would happen would be that the City is actually going to terminate the Public Works Staff so they will be formally terminated; the anticipation is that the great majority of those staff members will be offered positions with CH2M Hill virtually immediately.

RC – Is there a guarantee in employment?

LS – No, there is nothing contractual that obligates CH2M Hill to hire a certain number of the City employees.

RH – How is the record keeping, bookkeeping, timecards, etc.? It would be up to CH2M Hill now that they have all the employees.

LS – Right, and the City is going to be incurring a fair number of one-time charges in connection with the termination of all those employees because of vacation time, sick leave, benefits that will have to be paid out to them.

BB – Who is going to be responsible from the City to make sure that this works and to determine if it's not working?

LS – That is an ongoing discussion. I think I can safely say that it appears that there is going to be a substantial function that will have to remain with the City to provide oversight to guarantee that CH2M Hill is performing the job that it's supposed to be providing.

LT – Basically you're going to have to have the Director from CH2M Hill would actually be like our present Public Works Director position. His contact unless it's changed is most likely going to be the City Manager; that's who their guy is going to talk to and that would be their line of communication. Also there is in there about him attending meetings, works sessions, etc. So basically we'd call him Public Works Director or whatever we want.

JF – But we also foresee future Councils leaning heavily on recommendations from this committee because we're not experts.

LT – CH2M Hill absolutely want the Public Works Committee. They want this committee in place.

JF – I called six different Cities and I called the City Manager in each one of those; of those cities that responded they all like it and some of them have everything, the streets, everything. Lebanon is just Water & Sewer Treatment only, etc. They were saying that it has just simplified their process completely.

- *Continued discussion ...*

RH – During your discussions with CH2M Hill was there any discussions about the planning process, the maximizing of the dollars that are expended like the street patching, or curb and gutter replacement, or such? Are they going to plan that out?

DC – Yes, in fact they were stressing that's where they feel that they can save the City money. In better management, scheduling, and again that's what they're going to do is inventory, and it's not just equipment it's all the Cities assets, everything...

RH – I think we have some good employees; if they were just managed a little differently...

DC – That was discussed in length; that's kind of the same scenario that they thought the City has very good staff they just have not had good management.

JF – There's another question I asked some of those Cities, and I think it was Coos Bay they said CH2M Hill hired them all.

- *Multiple conversations*

RC – Most contracts required them to accept any employees to offer and accept any employees that want to work for them. They may not keep them for very long because they will weed out the dead wood, but in most cases they are guaranteed they hire the employees.

JF – I don't suppose to tell them how to manage their Construction Company ...

RC – Most Cities it's imperative that they try to do the best for their employees, and they will say we want you to guarantee a position for them at least during a transition period that you can get to know them for every employee. Now some employees won't accept the offer and they may not offer the same job that they had with the City but they would guarantee that they would accept the people; in their start up plan they already know how many employees they are going to have. If they have to accept ten extra people they will accept them and then during the next year or two years, they will have a time line that they will promote and move them to another facility somewhere or they will get rid of the ones that are not panning out.

LS – I think one of the reasons why they did not renew that is because they did not like the City Public Works Organizational chart. They think there're people not by their qualifications but simply because of their job titles that they don't think is an effective use of staff; so everybody that was non-management I'm expected to get offered a position to. They don't like having the top heavy organizational chart, they want to redo that.

BB – Are there provisions in there on phone calls because I'm sure Public Works department gets dozens of calls a day to deal with issues on public streets, sidewalks, curbs, and complaints, and all of that. Is that appropriately addressed in the contract?

LS – There is a long customer service section in there that discusses what their staffing is going to be. They are going to have Monday thru Friday full day staffing available to customers. Probably the most useful thing for the Council perhaps is for you folks to look at Appendix B: Scope & Services. That is what we spent a lot of time going over yesterday; that outlines what it is in particular that CH2M Hill says they are going to do as part of their performance under the contract.

RH – This obviously came to us for two reasons. 1. Because it's required by ordinance, because it's a Public Works issue. 2. It came to us for some action right now that we recommend or don't recommend that the Council pursue it?

DC – Yes, I think that is what they are hoping for. If you feel that you would like to review it and would like more time then we want to know how you want to operate that because time is of the essence on it. We can do it by using red lines, and e-mail the red lines to me and Larry to be incorporated in or we can call for another special meeting, whichever you folks think.

RH – Well what kind of... I heard mention of this isn't the final document, that this is a draft document; it's says so right here. What little discussions are going on right now that prevents this from being finalized?

LS – The meeting that I had with staff yesterday generated probably a dozen proposed changes of the contract that CH2M Hill just got this morning; so we are doing a conference call in the morning that I expect will address those request from me. I told their representative that none of those changes that I had made in the contract last night had even been review by staff yet so it may be that even some of those changes are going to be preliminary.

RH – Statutorily the Council has met their obligation to bring this to us, and so perhaps it might be helpful to the Council, we don't know what kind of timeline they want to move on but it might appropriate that as Mr. Hart said that this body gives them a recommendation to move forward in general that we agree with the concept or disagree with it.

BB – With that in mind I have one question; the initial motive or reasoning for pursuing this was savings of public funds is that correct?

JF – Actually what spurred it was Jay Henry brought forward to us this Water Treatment Plant, last summer we had bad complaints that water came out green, horrible, etc. Evidently that manager resigned and we don't have certain certifications at that Water Treatment Plant that are necessary. And when he sent out requests for qualified people to apply for that job nobody wanted it. That's how I remember, it is that incorrect?

- *Multiple conversations*

LT – Let me elaborate on this because we got into this confusion before; we got ripped up in the paper for it. I guess the definition of qualified –vs- certified and we had certified people but in the City Manager's opinion they weren't qualified to run the operation. So they advertised for employment and didn't get it. Then we consequently did an evaluation of the Water Treatment Plant and sent out an RFQ.

That was kind of the initial thing and as it has gone along in my short period of time as anybody has asked for any information from Public Works it's like a stone wall, you never get it. It's not good management and as things progressed I think that's what gave the impetus to them. Plus the fact CH2M Hill, as everybody knows operates the Wastewater at Ore Ida. So they have people on staff here and are taking care of that facility. I think that generated some of their interests, and those contacts kind of went back and forth; LeRoy Cammack, of course, was very closely involved with some of the people that came to talk to the Council and so on so forth. And it's evolved from that and it's been a year or more that the discussions have taken place.

BB – So one of the two of you in a nut shell basically if I can repeat what I think I'm hearing is cost wasn't a preliminary concern at least in the beginning it was more about providing adequate and acceptable levels of service.

JF – It still is.

BB – And since that time and the numbers aren't final yet but am I hearing that there is considerable cost savings? Or is there just cost savings?

JF – I don't have that final number.

LT – It's not going to be a tremendous amount; we don't have the final number. Some have looked at the budget part of it, some have looked at the scope, but it's the overall performance whether or not with that contract we can get a better performance in our Public Works, protect our Water, protect our Wastewater treatment, and provide better services. And one of the other things that is very important to me is services that follow the City Ordinances.

BB – So in the resolution the City will basically resolve to having examined all the benefits they will identify what those benefits are and either decide yay or nay to move forward?

LS – I don't know if there's going to be a resolution. I'm suspecting that what we're going to get is a distribution of the contract, review of the contract by the Council, and then a simple vote on whether or not to ...

BB – Does it require a resolution, findings or anything?

LS – No.

DC – Just so you are aware the reason the Council ask me to be involved in this is because I am Chairman of this committee to try to make sure this committee if you had any questions I could be informed on it.

BB – I would at least like to look at the contract and have a chance to go through it to voice my confidence in the air. At least my questions would have been answered.

RH - From my stand point in the accountability stand point this is just about enough for me to go along with. And I think that the Council would like to hear from us whether we general agree with it so they can move forward.

DC – And I think that would be a good recommendation is where we do get to vote on whether we recommend this document not approving it, it's still a working document, and then personally I'd like to see, and I think Mr. Sullivan would like to see that you review it and you see any concerns or comments or whatever, e-mail them to us or if this committee would like to meet again next week and go over those it's really up to you guys.

JF – I wouldn't think that the Council would move forward... if there was a motion if front of us soon, I would think that the motion would say... because this guy over here, CH2M Hill's Attorney's Iron out these different points, it wouldn't say done deal right now.

LS – Correct, the Council won't be asking for a vote until the final draft of the contract has been reviewed by me and we're all ready to move forward on it.

Be given some additional time to look at the detail and be able to send any comments that we have within one week to the Public Works Chairman and pass on, and in addition we agree that as described here this is something this concept of outsourcing going with CH2M Hill is something this committee supports:

The motion was made by Mr. Hart, seconded by Mr. Babcock, stating that the Public Works Committee be given some additional time to look at the detail and be able to send any comments that they have within one week to the Public Works Chairman to pass on; in addition agree that as described here this concept of outsourcing and going with CH2M Hill is something this committee supports: Dan Cummings – yes; Bernie Babcock – yes; Ken Hart – yes; Ron Cornmesser – yes; and Riley Hill – yes; Motion passed 5/0/2 (Wilson & Miller – excused).

JF – This is an advisory committee to the Council correct? and in my opinion very important. I don't get your minutes, well this time we haven't gotten minutes now for two months it seems like. You guys said you've already answered some of the questions about the Septic Receiving. Are you looking for a Councilor to give direction back to the committee or to give...? What do you need, because this is an unworkable system for me.

DC – The meeting that you missed Suzanne was not here, it was recorded, they planned on hiring somebody to transcribe the minutes but they didn't get the person hired to do is what I was told. They did not get the approval to hire the staff to transcribe those yet, and it is just the last meeting.

KH – Will this be something in the contract.

LS – It's in the City Code. There's nothing in the contract that... The person in charge is going to be attending Public Works meetings. So that person's job will be to attend meetings and provide you with information that you request. But it won't be CH2M Hill that will be paying for the transcription of Public Works Committee.

DC – That's not how I read it and that's why I hadn't worried about it; that a good reason it's come up. In the meeting with them I asked if they were going to keep this council and I suggested highly that they read the ordinance cause the way the ordinance is written could affect your contract in the fact that anything to do with Public Works has to come through here.

- *Multiple conversations*

Needs to be clarified

LT – They specifically said they have read that ordinance; we've discussed the importance of the Public Works Committee and their feelings about the Public Works Committee, and Dan brought the question up and they responded to it and they said, "They have read those ordinance, they were fully on board with that."

ADJOURN

The motion was made by Mr. Hart, seconded by Mr. Babcock to Adjourn: Motion passed unanimously (Wilson & Miller– excused).

Tori Barnett - June Minutes

From: Kit Kamo <kkamo@tvcc.cc>
Date: 6/10/2014 4:09 PM
Subject: June Minutes
Attachments: June 4 2014 MINUTES.doc

Attached please find the minutes of our June Board meeting last week. If you have any questions, please do not hesitate to contact me.

Our next meeting is July 2nd at Lifeways, 702 Sunset Drive, Ontario, OR - The August 6th meeting will be in New Plymouth at the Internet Truckstop building on main street, also at 7 am. The public is welcome at all meetings.

Have a great week!

Kit Kamo, Executive Director
Snake River Economic Development Alliance
650 College Blvd.
Ontario, OR 97914
Office: 541.881.5597
Cell: 208.230.5214
E-mail: kkamo@tvcc.cc
www.snakerivereda.com
Serving Malheur County, Oregon - Payette & Washington Counties, Idaho
www.gemstateprospector.com
www.oregonprospector.com



**SREDA Board Meeting
June 4, 2014
Payette Fire Dept.**

Members and guests present: Logan Hamilton, Randy Griffin, Mike Hanigan, Patrick Nauman, John Dillon, Bruce Jensen, Harry Flock, Nancy Dale, Doug Lamm, Abby Lee, Jeff Hafer, Layna Hafer, Greg Smith, Phillip Scheuers, Mary Cordova, Sharlene McCaslin, Ray Wickersham, Charlotte Fugate, Ryan Kerby, Ken Bishop, Bob Komoto, Howard Rynearson, Jeff Williams, Will Overgaard, Carol Campbell, Rachel Rodriguez, Joe Wessel, and Allyson Morrison

Staff: Kit Kamo

1. **Call the Meeting to Order:** Chairman Logan Hamilton called the meeting to order at 7:00 a.m. and thanked everyone for being here today. It is again, a very nice turnout which is very nice to see such an important large attendance.
2. **Introductions:** Chairman Hamilton then asked everyone to go around the room and introduce themselves, who they are and what organization they are representing. This took a few minutes.
3. **Approval of the May 7, 2014 Board Minutes:** Chairman Hamilton asked if everyone had a chance to review and read the board minutes that were sent out from the May 7, 2014 board meeting. He then asked if anyone had any questions or corrections. There were none. Patrick Nauman then made a motion to approve the minutes, seconded by Jeff Williams. The motion passed unanimously.
4. **Financial Update:** Treasurer Sandy Hemenway was on vacation so Kit Kamo provided the financial update. Kit reviewed the checking and money market account balances and all other details of the snap shot financial statement provided in our handout information. She then asked if anyone had any questions or concerns and there were none. Patrick Nauman made a motion to approve the financial report as presented, seconded by Doug Lamm. The motion passed unanimously.
5. **SREDA Fund Raising -** Chairman Hamilton gave an update on what the fund raising committee has been working on. He stated some board members would be meeting this afternoon to begin calling on various business folks to work on obtaining private donation dollars.
6. **Community Updates:**
 - a. **Nyssa –** Nyssa City Councilman Harry Flock stated the City is continuing to work on the ODOT main street improvement project which is now moving along nicely.

Vale – Logan Hamilton reminded the group about Vales 100 yr. rodeo celebration in July. Also, the city is trying to break the Guinness World Record for the largest pickup truck



parade with over 400 vehicles. Guinness Officials will also be there, so everyone is invited to Vale for the festive activities.

Ontario – Ontario City Councilwoman Charlotte Fugate, provided an update for Ontario as Mayor Cammack was out of town. Charlotte stated the City budget is almost finalized with only one more hearing and the City has finalized and signed a contract with CH2M Hill to contract out the Public Works functions.

Payette – Mayor Jeff Williams provided the update for Payette and said the Idaho Special Olympics will be held in Payette this weekend. Payette has the facilities to host this event which is expected to attract over 1,200 people to town. A great economic boom for the city. Jeff then mentioned the new construction along highway 95 and how the City of Payette is allocating \$25,000 as an economic incentive to help attract and retain businesses in Payette. A very pro-active approach.

Weiser – City Councilwoman Layna Hafer gave the update for Weiser. Layna said sewer plant renovations are moving forward which will be very positive for the city. Also, some new building out by Bi Mart was discussed. She also said if anyone wants a very nice meal, with great atmosphere, they should come to the Loft in Weiser on a Friday or Saturday night. It is a fantastic meal and overall experience (date night).

New Plymouth – Ryan Kirby invited everyone to attend the upcoming Payette County Fair on August 6, 7, 8, and 9th. It is a fun event with many activities taking place. Ryan then stated that the oil and gas projects are progressing very well with activity around exit 9. This facility should be open this fall. The new subdivision which will provide 52 new homes should be ready around July 1st. He then update the group on a new park coming to New Plymouth which will also house a baseball field, two softball fields and a football/soccer practice field for the middle school. Ryan stated the school district will most likely go out for a new bond in August. They are in the process right now with a public survey to determine exactly what is needed and how much to ask for.

Fruitland – Mayor Ken Bishop stated that the City of Fruitland also is completing sewer renovations and this project is progressing very well. The City has a draft plan for parks and trails now and is working on parks and recreation too. Overall, Ken stated the City is doing very well and catching their breath after a very busy spring.

B. County Reports:

1. **Payette County** – Payette City Administrator and Payette County P & Z member, Mary Cordova, gave an update on the county. She informed the group on all of the county road improvement projects and stated the county has seen some growth in building permits issued in this year.

2. **Washington County** – Jeff Hafer said the county is doing well but really needs new jobs and is developing ideas to achieve this. Jeff state the Mann's Creek market just



opened and looks great. Jeff then mentioned the new Farm Bureau office. Washington County has also now experienced some activity in gas and oil like Payette County.

3. Malheur County - Greg Smith, Malheur County Economic Development Director and a member of the SREDA Board provided the update for Malheur County. Greg began by updating the group on the new industrial land approval and expansion of over 1,000 acres in Ontario, Vale, and Nyssa. The County is working with Business Oregon to obtain special consideration for businesses helping with improvements. They are also trying to get these parcels state certified which really helps site selectors and businesses looking to relocate. This is just one more large incentive.

Regarding growth, Greg reviewed several projects as follows. One outside company is looking at our enterprise zone for potential development. Another is looking to inject \$120 million into new facilities. Three other local companies are also looking to expand. The current Sears store will relocate from the old mall and will double in size. The county is working with the city on the revolving loan fund. Greg then discussed the old Farewell Bend site near Huntington and provide exciting news that this facility which housed a gas station, convenience store, restaurant and motel in the recent past will be totally re-renovated. This will be about a \$4.5 million dollar investment over a 24 to 36 month period. The restaurant will also become a Denney's.

Greg then discussed some issues he has been working on regarding freight connectivity with Union Pacific and then explained a very aggressive email campaign his office has embarked on. It is huge with over 100 emails going out each and every week.

7. Executive Director Report - Kit reported on several ongoing projects updating the Board and asked them to review the two reports handed out and attached to the agenda. Kit then provided updates as follows:

a. Project Updates:

1. Project 78 – Ontario is back in the running as well as another possible site in Idaho. Both Fruitland and Ontario really stepped up their game to provide data and options for this project. The project will require at least a 300 acre site which must be rail dependent. This company is a big water, natural gas, and electrical user.

2. Project Sky – Individuals involved with this project want to provide flight school for fixed wing & helicopter pilots and possibly aviation mechanics training at the Ontario airport. Their program specializes in opportunities for Veterans. The representatives have had a brief meeting with TVCC. The City of Ontario and the airport have also been involved in the project.

3. Project Pumpkin – Work is on-going on this potential project with the Oregon State Extension service. Two different varieties of seed have been planted at the Malheur OSU Experiment Station for research purposes so this project is moving forward at this time. We have reached out to other seed companies in search of foundation seed including the University of New Hampshire. Seeds have been sent from their facility.

4. Project Babe – Representatives have looked at land out by Westfall, OR and are working on various funding and permitting issues at this time. The company may have two separate facilities. Most of the activities are farming while some of the processing is considered manufacturing. This is an agricultural value added project.

b. Site Selector Reports:

1. Site Link Pendleton – Kit attended this conference and reports she had met with seven or eight different site sectors at the conference. She stated one very clear message from all of them was that if you have property for sale put a price to it, cost per acre, etc. This is very important otherwise the proposal may get thrown out. The price can be negotiated, but a starting point price must be listed.

2. I-84 Corridor Site Selector, Don Schjeldahl, with Jill Miles & Melisa Drugge, Business Oregon. These individuals have been to five different I-84 locations throughout Oregon – Gresham, The Dalles, Pendleton, La Grande and Northern Malheur County (Ontario, Nyssa & Vale). There will be a report for follow up on this visit that will be sent out.

c. Other:

1. Visitor Center – The center is open and fully operational. Currently the center sees approximately 400 to 1,000 guests per day, an impressive amount. We have been seeing folks from all over the world such as Germany and Sweden.

2. Eastern Oregon Non-Profit Conference – This conference will be held in Ontario at the FRCC on June 5th and 6th. Logan Hamilton will sit on the panel on June 6th from 12:45 to 2:00 p.m. representing SREDA and our area.

8. Round Table Board, Members and Guests:

a. Will Overgaard – Weiser School District discussed with the group the challenges his district is experiencing with loss of student enrollment. Will said they had 121 kids graduate, and only 80 incoming at the kindergarten level. Will wants to work on growth and to have more knowledge about SREDA and how this may help.

b. Bob Komto – Bob informed the group about Ontario's Global Village celebration and that the chamber has won a state award for this cultural activity. They will be bringing in many groups one of which is a German group from the Salem area that will be very exciting. On another note, Bob will be cooking as well.

c. Bruce Jensen – Bruce reminded the group of the St. Luke's ribbon cutting ceremony on July 31st and that some of the business operations have increased 20% since their opening.

d. Mayor Jeff Williams then invited anyone wishing to do so, to please take a walk through tour of the new, wonderful, Payette Fire Station. Truly a beautiful building.



e. Patrick Nauman – Patrick reminded the group about the annual Weiser Fiddle Festival coming on June 16th – 21st. Everyone please come as this truly is a signature event. Patrick said in the past this event use to also have the largest parade in the State of Idaho but it has not the last few years. Their goal is to get back to having it be the largest again.

Upcoming Events:

- a. July 2nd SREDA monthly meeting at 7:00 a.m. at Lifeway's in Ontario – 702 Sunset Drive.
- b. July 21st – 25th NW Community Development in Boise, ID.
- c. August 6th SREDA monthly meeting at 7:00 a.m. in New Plymouth, location TBA.
- d. August 6th – 9th Outdoor Summer Show in Salt Lake City, UT
- e. September 3rd SREDA monthly meeting at 7:00 a.m. in Nyssa, OR.
- f. October 1st SREDA monthly meeting in Weiser, ID.

Adjourn:

Chairman Logan Hamilton adjourned the meeting at 8:00 a.m.

Minutes prepared by Randy Griffin, Secretary