

AGENDA
CITY COUNCIL - CITY OF ONTARIO, OREGON
Monday, August 16, 2010, 7:00 p.m., M.T.

1) Call to order

A) Roll Call: Norm Crume ___ Charlotte Fugate ___ John Gaskill ___
Susann Mills ___ David Sullivan ___ Ron Verini ___
Joe Dominick ___

2) Pledge of Allegiance

This Agenda was posted on Wednesday, August 11, 2010, and a study session was held on Thursday, August 12, 2010. 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: Motion Action Approving Consent Agenda Items

- A) Approval of Minutes of Regular Meeting of 08/02/10 1-9
- B) Liquor License Application: New Outlet (Limited On-Premises Sales) Anderson 10
- C) Proclamation: American Legion Month - September 2010 11
- D) Approval of the Bills

5) Public Comments: Citizens may address the Council on items not on the Agenda. Council may not be able to provide an immediate answer or response, but will direct staff to follow up within three days on any question raised. Out of respect to the Council and others in attendance, please limit your comment to three (3) minutes. Please state your name and city of residence for the record.

6) New Business

- A) Bid Award: SW 4th Avenue Sanitary Sewer Extension Project 12-13
- B) Resolution #2010-131: Approve Fund Exchange Agreement #27023 Between Ontario and ODOT for Fund Distribution for Phases of Chip Sealing and Landscaping on Various City Streets 14-21
- C) Resolution #2010-138: Intent to Construct a Sanitary Sewer Main on Alameda Drive from SW 16th Avenue to SW 18th Avenue and on Nadine Drive from Alameda Drive to the West Terminus of Nadine Drive and to Create a Local Improvement District 22-29

7) Correspondence, Comments and Ex-Officio Reports

8) Adjourn

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

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**COUNCIL MEETING MINUTES
August 2, 2010**

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

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

Charlotte Fugate led everyone in the Pledge of Allegiance.

AGENDA

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

CONSENT AGENDA

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

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

OLD BUSINESS

Snake River Transit Routed Service Update

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

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

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

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

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

Ms. Lindenberg stated yes.

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

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

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

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

Councilor Sullivan asked where the administrative fee was.

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

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

Ms. Lindenberg stated it was all in the document.

Councilor Sullivan disagreed.

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

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

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

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

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

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

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

NEW BUSINESS

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

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

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

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

Cost of Living for Non-Represented Employees

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

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

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

Alternative A:

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

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

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

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

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

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

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

Alternative B:

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

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

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

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

Mayor Dominick stated he was not aware of that.

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

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

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

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

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

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

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

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

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

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

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

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

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

Councilor Sullivan stated the performance program continued.

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

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

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

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

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

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

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

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

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

Mayor Dominick stated it would be a 6% impact.

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

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

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

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

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

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

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

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

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

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

Ms. Hopper did not know.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Restated Motion)

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

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

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

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

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

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

ADJOURN

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

ATTEST:

Joe Dominick, Mayor

Tori Barnett, MMC, City Recorder

CONSENT AGENDA
August 16, 2010

TO: Mayor and City Council

FROM: Mike Kee, Police Chief

THROUGH: Henry Lawrence, City Manager

**SUBJECT: LIQUOR LICENSE APPLICATION – NEW OUTLET
Limited On-Premises Sales**

DATE: August 6, 2010

SUMMARY:

Ellen and Richard Anderson, under the trade name of A-Lot-A-Beers, have completed the “New Outlet” application process for “Limited On-Premises Sales” liquor license privileges through the Oregon Liquor Control Commission for their business located at 105 SE 2nd Street, Ontario, Oregon.

BACKGROUND:

Initially the applications had been approved and forwarded back to the City by the O.L.C.C. Prior to bringing the matter to the City Council Richard Anderson was arrested by the Oregon State Police for Driving Under the Influence of Intoxicants. That matter has not been adjudicated. If convicted this could have a very serious impact on the holder of an Oregon Liquor License.

The O.L.C.C. also did not consider a liquor license violation, which was reported to them in 2007 by the Ontario Police Department concerning Ellen and Richard Anderson’s current business.

The O.L.C.C. now will be looking into both matters.

If the City denies support for the license the matter will go back to the Liquor Commission and they will look at the entire application again. In the end the O.L.C.C. may issue a license whether or not the City supports it.

RECOMMENDATION:

I recommend that based on this information the City Council direct the City Manager to deny the Cities support for the license at this time.

Proclamation

- Whereas,** The American Legion was chartered by The Congress of The United States of America on September 16, 1919; and
- Whereas,** Since its founding The American Legion and its nearly three million members have continually exhibited a deep sense of pride in community and ensured a strong America by serving veterans, their families and the children of our nation; and
- Whereas,** The American Legion was responsible for the creation of the original GI Bill, enabling millions of veterans to obtain assistance in education and home loans; and
- Whereas,** The American Legion was instrumental in the passage of legislation creating the Department of Veterans Affairs; and
- Whereas,** The American Legion continues to work for a constitutional amendment to protect the American flag from desecration; securing mandatory funding for adequate operation of the Veterans Affairs Medical facilities; and operates a Family Support Network for families of active duty military personnel and members of the National Guard and Reserves; and
- Whereas,** The more than 25,000 Legionnaires belonging to the 120 Posts across Oregon, along with the 10,000 members of the Sons of The American Legion and American Legion Auxiliary statewide, collectively volunteer thousands of hours to assist our veterans and their communities; and
- Whereas,** Ontario American Legion Post 67 strongly supports veterans, their families and our community at large.

THEREFORE, BE IT RESOLVED that the Ontario City Council hereby proclaims

SEPTEMBER 2010 AMERICAN LEGION MONTH

through out the city of Ontario and encourages citizens to celebrate the many contributions made by members of The American Legion, Department of Oregon over the past 91 years.

Dated this _____ day of _____, 2010, by the City Council of Ontario.

Joe Dominick, Mayor

AGENDA REPORT
August 16, 2010

TO: Mayor and City Council

FROM: Chuck Mickelson, Public Works Director

THROUGH: Henry Lawrence, City Manager

SUBJECT: BID AWARD: SW 4TH AVENUE SANITARY SEWER EXTENSION PROJECT

DATE: August 9, 2010

SUMMARY:

Bids were opened August 4, 2010, for the SW 4th Avenue Sanitary Sewer Extension Project.

Eastern Oregon Construction, of Ontario, is the apparent lowest responsive and responsible bidder at \$55,046.00 for the SW 4th Avenue Sanitary Sewer Extension Project, which consists of construction of approximately 805 lineal feet of 8-inch diameter sanitary sewer main including pipe, manholes, services, and surface restoration.

SOUTHWEST 4TH AVENUE SANITARY SEWER EXTENSION BID RESULTS	
COMPANY	Totals
MVCI, LLC	\$65,984.05
CASCADE PIPELINE CORPORATION	\$78,295.00
LURRE CONSTRUCTION	\$84,255.00
EASTERN OREGON CONSTRUCTION	\$55,046.00
WARRINGTON CONSTRUCTION	\$88,769.00
G. LOWELL LEWIS CONSTRUCTION INC	\$98,519.00
ENGINEERS ESTIMATE	\$90,000.00

PREVIOUS COUNCIL ACTION:

June 7, 2010 – Council approved Resolution 2010-118, authorizing the reallocation of \$90,000 within the Sewer Fund to extend sewer services on SW 4th Avenue and SW 33rd Street.

BACKGROUND:

A new Fire Station Storage Building is to be built on city property near the intersection of SW 4th Avenue and SW 33rd Street. The building will be used for storage of fire trucks, hazardous materials response vehicle with trailers, and various other pieces of fire equipment. The design-build contract was awarded to MVCI, LLC and the project is currently under construction.

This project provides for the approximately 805 feet of 8-inch sanitary sewer line that is needed to accommodate and provide sewer service to the Fire Station Storage Building.

FINANCIAL IMPLICATIONS:

Eastern Oregon Construction's bid came in under the Engineer's Estimate of \$90,000.

RECOMMENDATION:

Staff recommends the Mayor and Council award the SW 4th Avenue Sanitary Sewer Extension Project to Eastern Oregon Construction.

MOTION:

I move the Council award the SW 4th Avenue Sanitary Sewer Extension Project to Eastern Oregon Construction, the lowest responsive and responsible bidder, in the amount of \$55,046.00 and authorize the City Manager to be signatory to an agreement with Eastern Oregon Construction.

AGENDA REPORT

August 16, 2010

TO: Mayor and City Council

FROM: Chuck Mickelson, Public Works Director

THROUGH: Henry Lawrence, City Manager

SUBJECT: RESOLUTION #2010-131: A RESOLUTION APPROVING FUND EXCHANGE AGREEMENT #27023 BETWEEN THE CITY OF ONTARIO AND THE STATE OF OREGON, ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION FOR FUND DISTRIBUTION FOR ALL PHASES OF THE CHIP SEALING AND LANDSCAPING ON VARIOUS CITY STREETS

DATE: July 30, 2010

SUMMARY:

Attached are the following document(s):

- Resolution #2010-131
- 2010 Fund Exchange Agreement #27023

PREVIOUS COUNCIL ACTION:

April 4, 2005 City Council authorized the Mayor to sign Fund Exchange Agreement #22,388, which allowed staff to construct and complete the southwest 4th Avenue and southwest 4th street signal project.

March 16, 2009 City Council adopted Resolution #2009-108: a Resolution approving Fund Exchange #25,415, which authorized the Mayor to sign the agreement for the design and construction of North Oregon Street and rehabilitation between Idaho Street and Northwest 1st Street.

BACKGROUND:

The State of Oregon offers Fund Exchange programs acting by and through its Department of Transportation, in which Federal funds are exchanged for State funds at a ratio of \$94 State dollars for \$100 Federal dollars. This gives the City the ability to build projects under local control instead of federal control. The City of Ontario has been granted the opportunity to exchange \$110,185 State dollars for \$117,218 Federal Dollars.

RECOMMENDATION:

Staff recommends the Council authorize the Mayor to sign the 2010 Fund Exchange Agreement # 27023.

PROPOSED MOTION:

I move the City Council adopt Resolution #2010-131: A RESOLUTION APPROVING FUND EXCHANGE AGREEMENT #27023 BETWEEN THE CITY OF ONTARIO AND THE STATE OF OREGON, ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION FOR FUND DISTRIBUTION FOR ALL PHASES OF THE CHIP SEALING AND LANDSCAPING ON VARIOUS CITY STREETS

RESOLUTION #2010-131

A RESOLUTION APPROVING FUND EXCHANGE AGREEMENT #27023 BETWEEN THE CITY OF ONTARIO AND THE STATE OF OREGON, ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION FOR FUND DISTRIBUTION FOR ALL PHASES OF THE CHIP SEALING AND LANDSCAPING ON VARIOUS CITY STREETS

WHEREAS, The State of Oregon offers Fund Exchange programs acting by and through its Department of Transportation; and

WHEREAS, Federal funds are exchanged for State funds at a ratio of \$94 State dollars for \$100 Federal dollars; and

WHEREAS, The City has been given the opportunity to exchange \$110,185 State dollars for \$117,218 Federal dollars.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Ontario City Council, to approve Fund Exchange Agreement #27023 between the City of Ontario and the State of Oregon, acting by and through its Department of Transportation for fund distribution for all phases of the chip sealing and landscaping on various city streets

EFFECTIVE DATE: Effective immediately upon passage.

PASSED AND ADOPTED by the City Council of the City of Ontario this _____ day of _____ 2010, by the following vote:

AYES:

NAYES:

ABSENT:

APPROVED by the Mayor this ____ day of _____, 2010.

Joe Dominick, Mayor

ATTEST:

Tori Barnett, MMC, City Recorder

2010 FUND EXCHANGE AGREEMENT
Various City Streets
City of Ontario

THIS AGREEMENT is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State"; and CITY OF ONTARIO, acting by and through its elected officials, hereinafter referred to as "Agency," collectively referred to as the "Parties."

RECITALS

1. By the authority granted in Oregon Revised Statute (ORS) 190.110, 366.572 and 366.576, ODOT may enter into cooperative agreements with counties, cities and units of local governments for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.

NOW THEREFORE, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

TERMS OF AGREEMENT

1. Agency has submitted a completed and signed Part 1 of the Project Prospectus, or a similar document agreed to by State, outlining the schedule and costs associated with all phases of the chip sealing and landscaping on various city streets, hereinafter referred to as "Project."
2. State has reviewed Agency's prospectus and considered Agency's request for the Fund Exchange. State has determined that Agency's Project is eligible for the exchange of funds.
3. To assist in funding the Project, Agency has requested State to exchange 2010 federal funds, which have been allocated to Agency, for state funds based on the following ratio:

\$94 state for \$100 federal

4. Based on this ratio, Agency wishes to trade \$117,218.00 federal funds for \$110,185.00 state funds.

5. The term of this Agreement will begin upon execution and will terminate three years later on the same day and month unless extended by an executed amendment.
6. The Parties agree that the exchange is subject to the following conditions:
 - a. The federal funds transferred to State may be used by State at its discretion.
 - b. State funds transferred to Agency must be used for the Project. This Fund Exchange will provide funding for specific roadway projects and may also be used for the following maintenance purposes:
 - i. Purchase or Production of Aggregate. Agency shall ensure the purchase or production of aggregate will be highway related and used exclusively for highway work.
 - ii. Purchase of Equipment. Agency shall clearly describe how it plans to use said equipment on highways. Agency shall demonstrate that the equipment will only be used for highway purposes.
 - c. State funds may be used for all phases of the Project, including preliminary engineering, right of way, utility relocations and construction. Said use shall be consistent with the Oregon Constitution and statutes (Section 3a of Article IX Oregon Constitution). Agency shall be responsible to account for expenditure of state funds.
 - d. This Fund Exchange shall be on a reimbursement basis, with state funds limited to a maximum amount of \$110,185.00. All costs incurred in excess of the Fund Exchange amount will be the sole responsibility of Agency.
 - e. State certifies, at the time this Agreement is executed, that sufficient funds are available and authorized for expenditure to finance costs of this Agreement within State's current appropriation or limitation of the current biennial budget.
 - f. Agency and any contractors, shall perform the work as an independent contractor and will be exclusively responsible for all costs and expenses related to its employment of individuals to perform the work including, but not limited to, retirement contributions, workers compensation, unemployment taxes, and state and federal income tax withholdings.
 - g. Agency shall comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, the provisions of ORS 279C.505, 279C.515, 279C.520, 279C.530 and 279B.270 incorporated herein by reference and made a part hereof. Without limiting the generality of the foregoing, Agency expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504

of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

- h. Agency, or its consultant, shall conduct the necessary preliminary engineering and design work required to produce final plans, specifications and cost estimates; purchase all necessary right of way in accordance with current state and federal laws and regulations; obtain all required permits; be responsible for all utility relocations; advertise for bid proposals; award all contracts; perform all construction engineering; and make all contractor payments required to complete the Project.
- i. Agency shall submit invoices to State on a monthly basis, for actual costs incurred by Agency on behalf of the Project directly to State's Project Manager for review and approval. Such invoices will be in a form identifying the Project, the agreement number, the invoice number or account number or both, and will itemize all expenses for which reimbursement is claimed. Under no conditions shall State's obligations exceed \$110,185.00, including all expenses. Travel expenses will not be reimbursed.
- j. Agency shall, at its own expense, maintain and operate the Project upon completion at a minimum level that is consistent with normal depreciation and service demand.
- k. All employers, including Agency, that employ subject workers in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. Agency shall ensure that each of its subcontractors complies with these requirements.
- l. This Agreement may be terminated by either Party upon thirty (30) days' notice, in writing and delivered by certified mail or in person.
 - i. State may terminate this Agreement effective upon delivery of written notice to Agency, or at such later date as may be established by State, under any of the following conditions:
 - A. If Agency fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
 - B. If Agency fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from State

fails to correct such failures within ten (10) days or such longer period as State may authorize.

- ii. Either Party may terminate this Agreement effective upon delivery of written notice to the other Party, or at such later date as may be established by the terminating Party, under any of the following conditions:
 - A. If either Party fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow either Party, in the exercise of their reasonable administrative discretion, to continue to make payments for performance of this Agreement.
 - B. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or either Party is prohibited from paying for such work from the planned funding source.
 - iii. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
 - m. State and Agency agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be invalid, unenforceable, illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
7. Agency acknowledges and agrees that State, the Oregon Secretary of State's Office, the federal government, and their duly authorized representatives shall have access to the books, documents, papers, and records of Agency which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period of six (6) years after final payment. Copies of applicable records shall be made available upon request. Payment for costs of copies is reimbursable by State.
 8. Agency certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of Agency, under the direction or approval of its governing body, commission, board, officers, members or representatives, and to legally bind Agency.
 9. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

10. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of State to enforce any provision of this Agreement shall not constitute a waiver by State of that or any other provision.

THE PARTIES, by execution of this Agreement, hereby acknowledge that each Party has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

The funding for this Fund Exchange program was approved by the Oregon Transportation Commission on November 14, 2007, as a part of the 2008-2011 Statewide Transportation Improvement Program (STIP).

The Program and Funding Services Manager approved the Fund Exchange on April 1, 2010.

The Oregon Transportation Commission on December 29, 2008, approved Delegation Order No. 2, which authorizes the Director to approve and execute agreements for day-to-day operations. Day-to-day operations include those activities required to implement the biennial budget approved by the Legislature, including activities to execute a project in the Statewide Transportation Improvement Program.

On September 15, 2006, the Director of the Oregon Department of Transportation approved Subdelegation Order No. 2, Paragraph 2, in which day-to-day authority is delegated to the Chief of Staff, Deputy Director, Central Services; Chief Financial Officer; Chief of Human Services; Chief Information Officer; Chief of Audit Services; Support Services Branch Manager; Deputy Director, Highways; Highway Finance Manager; Local Government Section Manager; Maintenance Engineer; Office of Alternative Partnerships Manager; Office of Project Delivery Manager; Region Managers; Technical Services Manager/Chief Engineer; and Division Administrators for their respective division, which includes the authority to approve and sign agreements up to \$75,000 when the work is related to a project included in the Statewide Transportation Improvement Program, other system plans approved by the Oregon Transportation Commission such as the Traffic Safety Performance Plan, or in a line item in the biennial budget approved by the Director.

CITY OF ONTARIO, by and through

By _____
Mayor (or other assigned designee)

Date _____

By _____
City Recorder (or other assigned designee)

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By _____
Counsel

Date _____

Agency Contact:

Chuck Mickelson, Public Works Director
City of Ontario
444 SW 4th Street
Ontario, Oregon 97912
(541) 881-3231
Chuck.mickelson@ontariooregon.org

State Contact:

Doug Wright, Federal Aid Specialist
3012 Island Avenue
La Grande, Oregon 97850
(541) 963-1362
Douglas.I.WRIGHT@odot.state.or.us

STATE OF OREGON, by and through
its Department of Transportation

By _____
Deputy Director, Highways

Date _____

APPROVAL RECOMMENDED

By _____
Technical Services Manager/Chief Engineer

Date _____

By _____
Region 5 Manager

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By _____
Assistant Attorney General

Date: _____

AGENDA REPORT
August 16, 2010

TO: Mayor and City Council

FROM: Chuck Mickelson, Public Works Director

THROUGH: Henry Lawrence, City Manager

SUBJECT: RESOLUTION #2010-138: A RESOLUTION OF INTENT TO CONSTRUCT A SANITARY SEWER MAIN ON ALAMEDA DRIVE FROM SW 16TH AVENUE TO SW 18TH AVENUE AND ON NADINE DRIVE FROM ALAMEDA DRIVE TO THE WEST TERMINUS OF NADINE DRIVE AND TO CREATE A LOCAL IMPROVEMENT DISTRICT

DATE: August 9, 2010

SUMMARY:

Attached are the following documents:

- Resolution #2010-138
- Area Map
- Aerial
- Ontario Local Improvement District Assessment Procedure
- Petition survey

Due to numerous failures of drain fields in the area, the Malheur County Health Department has encouraged property owners to consider the construction of public sewers on Nadine Drive, west of Alameda to solve these problems. Public Works staff was contacted in the spring to evaluate the extension of sewers to the area which is outside the city limits but adjacent to the city boundary. Two public meetings have been held and a written survey has been forwarded to the property owners in the area. Staff recommends that the City Council adopt this resolution with the intent to create a local improvement district and extend sewers into the area.

BACKGROUND:

Nadine Drive, located off of Alameda drive, 350' south of SW 16th Avenue, is a small residential neighborhood outside of the city limits. The church located on SW 18th Avenue and Alameda is also included in the discussions to extend sewer to the area (area map and aerial included). There are fourteen single-family residences, one duplex, a church and one vacant lot within the proposed boundary. All properties are served by private wells for drinking water and septic tanks and drain fields for sanitary sewer. Over the years, several of the residences have had failing septic systems. Many of the properties no longer have adequate land to replace a drain field and the more comprehensive repairs can cost anywhere from \$15,000 to \$30,000.

With a growing number of failing private septic systems in the Nadine Drive area, residents have been working with Malheur County Environmental on options to bring sewer service to their area. Both county and city staffs have tried to find grant funding to construct sewer mains but none were available. On May 25th, both staffs had a meeting with the area property owners to discuss self-funding options for the construction and a Local Improvement District (LID assessment procedure attached) was the most popular method. City staff prepared preliminary cost estimates, assessment options and plans for the extension of city sanitary sewer, potable water, and streets with curbs, gutters and sidewalks. Another neighborhood meeting was held on June 15th with the property owners and county and city staffs.

At both meetings property owners expressed support only for an LID that would extend the sanitary sewer to their area. They indicated they could not afford water mains and street improvements at this time. To meet the requirements of formation for a LID, city staff then prepared a petition to mail, with a return reply, to each property owner to determine their interest in the formation of a LID for a sanitary sewer main (results of petition attached). As a part of the LID, the participating properties would be asked to annex into the city limits. As of August 9, 2010, out of 16 properties in the proposed district, 14 have responded. Nine are interested in the LID, two would like more information, three are not interested and two are non-responsive.

The City Code, Title 8, Chapter 2, Section 8-2-2 requires City Council authorization by resolution to declare the intent of forming an LID and authorize the Public Works Director to submit a written report. As noted on the procedure, we are at the very first step in the process. There are numerous steps that must be followed in order to create a LID. Additionally the properties must be annexed into the city in order to receive sanitary sewer service.

FINANCIAL IMPLICATIONS:

In the past the city has hired a consulting engineering firm to create the director's report as Step 2 of the procedure. The Public Works staff will be preparing this report in lieu of hiring an outside firm. Costs for the engineering should be included in the final assessment cost should this project go forward.

RECOMMENDATION:

Staff recommends that the City Council approve Resolution 2010-138 to authorize the intent to improve by the construction of a sanitary sewer main on Alameda Drive from SW 16th Avenue to SW 18th Avenue and on Nadine Drive from Alameda Drive to the west terminus of Nadine Drive.

Council could choose to deny Resolution 2010-138 to authorize the Intent to Improve.

PROPOSED MOTION:

I move that the City Council adopt Resolution 2010-138, A RESOLUTION TO AUTHORIZE THE INTENT TO IMPROVE BY THE CONSTRUCTION OF A SANITARY SEWER MAIN ON ALAMEDA DRIVE FROM SW 16TH AVENUE TO SW 18TH AVENUE AND ON NADINE DRIVE FROM ALAMEDA DRIVE TO THE WEST TERMINUS OF NADINE DRIVE.

Alternative Motion:

I move that the City Council deny Resolution 2010-138.

RESOLUTION #2010-138

**A RESOLUTION OF INTENT TO CONSTRUCT
A SANITARY SEWER MAIN ON ALAMEDA DRIVE FROM
SW 16TH AVENUE TO SW 18TH AVENUE
AND ON NADINE DRIVE FROM ALAMEDA DRIVE TO THE
WEST TERMINUS OF NADINE DRIVE AND TO CREATE
A LOCAL IMPROVEMENT DISTRICT**

WHEREAS, The Ontario City Council recognizes the need to construct sanitary mains on Alameda Drive from SW 16th Avenue to SW 18th Avenue and on Nadine Drive from Alameda Drive to the west terminus of Nadine Drive; and

WHEREAS, The cost of these improvements and annexation into the city limits will be borne by the property owner by assessment against their property.

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

Section 1: That the City Council hereby declares its purpose and intent to improve by the construction of sanitary sewer mains on the portion of Alameda Drive from SW 16th Avenue from its intersection with Alameda Drive southerly to its intersection with SW 18th Avenue, and on the portion of Nadine Drive from its intersection with Alameda Drive to the west terminus of Nadine Drive which are confined within the boundaries of the district at the expense of abutting and adjacent property owners, the district boundaries and description of said street being more particularly described as follows to-wit:

Tax Map 18 47 9 EE Tax Lot Nos. 3100, 3200, 3400, 3500, 3600, 3702,
3800, 3900, 4000, 4100, 4200, 4300, 4400, 4500,
4600, 4700 and 4900

Section 2: The City Council hereby deems and declares that the character and kind of improvement, which shall be made on said portion of said streets, which will be sanitary sewer mains, will be included within the district, which will be known and designated as Local Improvement District No. 47.

Section 3: That the Public Works Director be and he hereby is directed to make a survey and plat of such project and written report, and file the same with the City Recorder within a period of thirty (30) days from the date hereof, which survey, plat and report shall contain all those things required by Title 8, Chapter 2 (8-2-2) of the City of Ontario Municipal Code.

EFFECTIVE DATE: Effective immediately upon passage.

PASSED AND ADOPTED by the City Council of the City of Ontario this _____ day of _____ 2010, by the following vote:

AYES:

NAYES:

ABSENT:

ABSTAIN:

APPROVED by the Mayor this ____ day of _____, 2010.

Joe Dominick, Mayor

ATTEST:

Tori Barnett, MMC, City Recorder



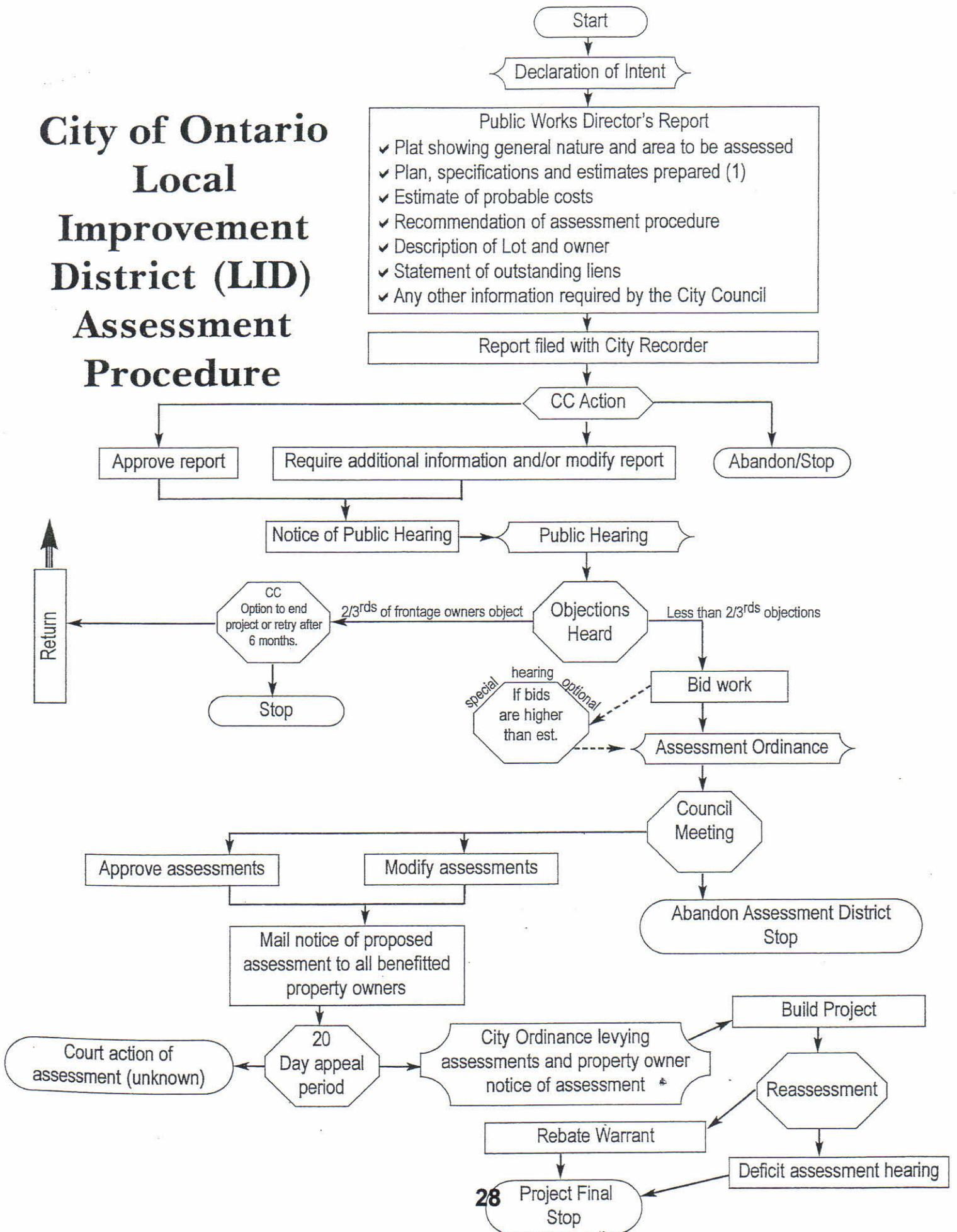
PROPOSED SEWER LID (ALAMEDA DR AND NADINE DR)



- PROPOSED SAN SEWER MANHOLE
- EXISTING SANITARY MANHOLE
- PROPOSED SANITARY SEWER
- EXISTING WATER LINES
- EXISTING SANITARY SEWER
- CITY LIMIT



City of Ontario Local Improvement District (LID) Assessment Procedure



LID 47 - NADINE DR. / ALAMEDA SURVEY

Tax Lot Address Interested Need More Information NOT Interested No Response Comments

1	3100	1674 Alameda Dr	x				
2	3200	1694 Alameda Dr				x	
3	3400	1726 Alameda Dr			x		
4	3500	1712 Alameda Dr				x	
5	3600	1275 SW 18th Ave			x		My wife and I own the farm ground on the southeast side (5 acres), and currently have plenty of real estate fro well/septic systems. Thank you for including us in your discussions.
6	3701 & 3702	1775 Alameda Dr	x				
29	3800	1392 Nadine Dr			x		
8	3900 & 4000	1348 Nadine Dr	x				Bringing water along with the sewer would be ok too!!
9	4100	1340 Nadine Dr	x				Something needs desperately to be done for improvement of all this area
10	4200	1725 Alameda Dr	x				The estimate has gone up since the first meeting. Is this going to continue to happen until it is more than I want to try and afford?
11	4300	1689 Alameda Dr			x		Would the same contractor connect the houses? Ballpark Figure? Monthly cost of sewer service?
12	4400	1671 Alameda Dr	x				
13	4500	1345 Nadine Dr	x				
14	4600	1349 Nadine Dr	x				
15	4700	1377 Nadine Dr	x				
16	4900	1399 Nadine Dr			x		