

COUNCIL MEETING MINUTES
November 21, 2011

The regular meeting of the Ontario City Council was called to order by Mayor Joe Dominick at 7:00 p.m. on Monday, November 21, 2011, in the Council Chambers of City Hall. Council members present were Norm Crume, Joe Dominick, Jackson Fox, Dan Jones, David Sullivan and Ronald Verini. Charlotte Fugate was excused.

Members of staff present were Henry Lawrence, Tori Barnett, Mark Alexander, Bob Walker, Lisa Hansen and Anita Zink. The meeting was recorded on tape, and the tapes are available at City Hall.

Ronald Verini led everyone in the Pledge.

AGENDA

Request to move item 8A-Executive Session ORS 192.660(2)(d) before New Business.

Norm Crume moved, seconded by Dan Jones, to adopt the Agenda as amended. Roll call vote: Crume-yes; Fox-yes; Fugate-out; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 6/0/1.

CONSENT AGENDA

Norm Crume declared that his brother would have a direct interest in the proposed liquor license application; however, Councilor Crume would not.

Ronald Verini moved, seconded by Norm Crume, to approve Consent Agenda Item A: Approval of the Regular Minutes of 11/07/2011; Item B: Liquor License Application: Additional Privilege (Brewery Public House); and Item C: Approval of the Bills. Roll call vote: Crume-yes; Fox-yes; Fugate-out; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 6/0/1.

EXECUTIVE SESSION

Executive Session: ORS 192.660(2)(d)

An executive session was called at 7:00 p.m. under provisions of ORS 192.660(1)(d) to discuss labor negotiations. The Council convened into a second Executive Session. Council convened back into regular session at 7:28 p.m.

NEW BUSINESS

Move to a High Deductible Insurance Plan for Non-Represented Employees

Lisa Hansen, Finance Director, stated at the direction of the City Council, staff had been researching the option of moving the non-represented employees to a High Deductible Health Plan with HSA effective January 1, 2012.

The City of Ontario had not increased the cap (\$1,034.00) for the medical/life/dental insurance for the non-represented employees since August 1, 2008. The current cap for the Teamsters was \$1,185.18; the cap for the Police was \$1,223.78; and the cap for the Fire was \$1,295.35. Therefore, all of the insurance increases had been borne by the non-represented employees. The non-represented employees agreed to reduce coverage on an annual basis in order to deflect some of the cost increases, but the employees were still currently paying \$335.68 for family coverage which represented 25% of their insurance costs. In order to stay in compliance with the

potential upcoming new federal laws in regards to insurance costs per employee and at the direction of the City Council, staff researched the option of moving the non-represented group to a high deductible health plan with a HSA.

There were a total of 19 employees that would qualify for the HDHP-2 Plan with an HSA and 3 employees were currently waiving the medical/vision portion of the current insurance the City of Ontario was offering. The city could have the potential to save 7.65% of the pre-tax portion employees were able to pay into an HSA up to \$6,150.00. An example would be if 15 employees chose to pay \$4,000.00 into a pre-tax HSA, the city could save \$4,590.00 ($\$4,000.00 * 15 * 7.65\%$). It was also possible employees might opt-out due to double coverage potential that was not allowed under the HDHP-2 Plan with an HSA; therefore, saving the city the insurance costs for that employee.

Staff had two recommendations for the Council to consider: 1) Approve the HDHP/HSA plan offering to the non-rep employees for a 1/1/2012 effective date (Option 1 or 2); and 2) Consider using the City's FICA savings to offset the administration fees from the HSA Bank at a \$2.25 per employee cost per month. ($\$2.25 * 12 \text{ months} * 15 \text{ employees} = \405.00)

Tony Kahmann, Waldo Insurance Agency, stated the city wasn't required to do a front load. Benefit for employees to have it at the beginning of each year.

Councilor Sullivan stated the frontload was a benefit to the employees

Mr. Kahmann agreed. It was laudable, but not required.

Councilor Jones agreed with Option 3, but didn't have a decision on if they should pay \$1000 or \$500 the first year, or maybe \$500 per year.

Councilor Sullivan stated they didn't have to agree on that tonight, only that the city was moving to the move to the HSA.

Mr. Lawrence stated CIS needed to know now about the move to the HSA, as it would be effective after the first of this year.

Mayor Dominick reminded them they did not have to determine the front load amount, if any, at this meeting.

Mr. Kahmann stated when considering the CIS deadline, it needed to be wrapped up by December 1. They needed to nail down a plan. Employees would want to see the attractiveness of the plan, in terms of their contribution. Staff could always contribute their own share, but what the city would contribute would have great bearing on the employee's side.

Councilor Sullivan stated they didn't need to sell it to the employees, as they were not a bargaining unit.

Mr. Lawrence reminded the Council the motion could be worded however the Council desired. Also, staff would want to know if the city was going to contribute any money, so they would know what they needed to have deducted from their paychecks.

Dan Jones moved, seconded by David Sullivan, that the City Council approve the move of the non-represented employees to the High Deductible Health Plan effective January 1, 2012, with the selection of Option 3, to frontload \$500 per employee, and provide \$500 every year thereafter per employee, and to use the city's FICA savings to offset the administration fees from the HSA Bank at a \$2.25 per employee cost per month. Roll call vote: Crume-yes; Fox-yes; Fugate-out; Jones-yes; Sullivan-yes; Verini-no; Dominick-yes. Motion carried 5/1/1.

Second Amended Purchase and Sale Agreement with Chris Hardin of CDH Consulting for the Stelling Property

Henry Lawrence, City Manager, stated the City of Ontario was under contract to sell approximately 75 acres of undeveloped property (the Stelling property) to Chris Hardin, dba CDH Consulting, for construction of a data center. The escrow closing date expired on November 4, 2011, and Mr. Hardin requested a six month extension while he continued to work with potential user clients. The proposed Second Amended Purchase and Sale Agreement provided for the following: 1) Closing date extension to May 5, 2012; and 2) \$50,000 payable to the City of Ontario: \$25,000 as consideration for extending the escrow period and \$25,000 credited towards the purchase price at escrow closing.

The City currently holds \$183,300 in non-refundable earnest money under previous agreements with Mr. Hardin. With this additional \$25,000 non-refundable consideration, the City would hold a total of \$208,300 in non-refundable funds, plus \$25,000 in refundable funds.

Councilor Fox stated his concern was that the property could have anything built on it; the city would have no voice.

Mr. Lawrence stated it was zoned Heavy Industrial, so that would set some parameters.

Councilor Sullivan stated the way of the current real estate economy, he would rather give the taxpayers \$25K by entering into this agreement.

Councilor Jones stated that when this deal closed, the city would receive \$1.8M.

Councilor Crume concurred with Councilor Sullivan. Any changes should have been done before the first contract; it was hard to do that now.

Councilor Sullivan wanted a provision to pull the \$25K out of escrow.

Mr. Lawrence stated he planned to put the entire \$50K into a bank account, not in escrow.

Ronald Verini moved, seconded by David Sullivan, that the City Council authorize the City Manager to sign the Second Amended Purchase and Sale Agreement with Chris Hardin of CDH Consulting. Roll call vote: Crume-yes; Fox-no; Fugate-out; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 5/1/1.

Bid Award: SCADA/Electrical Maintenance Contract

Bob Walker, Deputy Public Works Director, stated the purpose of this agenda item was to obtain approval from the City Council to authorize the City Manager to sign the maintenance contract for the City of Ontario's SCADA and electrical systems. In 2003, the City of Ontario contracted with Fruitland Electric to provide maintenance services for the SCADA System and the City's electric facilities. The SCADA System was an essential element to the operation of the Water Treatment Plant, the Wastewater Treatment Plant, booster stations, and sewage lift stations. The majority of SCADA maintenance required the inclusion of a licensed electrician. Consequently, it was essential that both SCADA maintenance and electrical maintenance was included in one contract to avoid having a service charge from both an electrical contractor and a SCADA contractor plus avoid coordination issues.

In 2009, Larry Laird left Fruitland Electric and formed his own firm, L & M Electric LLC. Since Fruitland Electric no longer had SCADA capability, city staff rebid the contract. The Invitation to Bid was sent to five firms and two companies responded to the bid request: L & M Electric and Advanced Control Systems (ACS). The city's review committee consisted of City of Ontario employees who worked with and depended upon the proper functioning of the SCADA systems, and also included plus Yorick de Tassigny, Chuck Mickelson and Bob Walker. Both companies were very familiar with the city's SCADA software and components. Larry Laird with L & M Electric actually worked on the system for the past few years and ACS did all the SCADA work for the city's new Water Treatment Plant.

In order to quantify the bid items, staff based quantities on actual work and expenditures which had occurred during the past few years, as noted in the Invitation to Bid. The low bidder for this contract was ACS with a base bid of \$29,521.35. L & M Electric's bid was \$33,000. After the bid opening, the committee interviewed both firms to review expectations and concerns. A concern with ACS was response time since their main office was located in Boise. This was not a problem on the electrical side as they were utilizing Quality Electric which had a local office located at the Heinz Plant with five employees and would have a quick response time and no travel charges. For the SCADA component of the contract, ACS would be tied directly into the city's SCADA system and could handle much of the trouble shooting remotely. When a site visit was necessary, ACS would dispatch a person from the Kuna or Nampa area and would be able to comply within the 1 to 1.5 hour emergency response time. ACS currently provided SCADA maintenance to several surrounding communities (Vale Irrigation District, City of Nyssa, City of Vale, and City of Payette) and were given excellent recommendations. Based upon the above review and the bid results, the committee selected ACS as the contractor to perform the city's SCADA/Electrical maintenance.

If this contract were not awarded, the city could experience serious operational problems that could be costly in both repairs and meeting regulatory compliance. The Public Works Department recommended approval of the contract with ACS.

Councilor Sullivan wanted to make sure the trip costs had not been overlooked in the bid.

Mr. Walker stated staff had been concerned about that as well, and had researched it to ensure the numbers provided were accurate.

Councilor Crume stated the Council always heard about these projects, but never heard again. He wanted an update in a year, to see how close to true the numbers were, and to see where the city was at on the issue.

Councilor Fox asked if the company did not respond in a timely manner in an emergency situation, could the city contact another company?

Mr. Walker stated yes, they could.

Mr. Lawrence stated it was a two year contact with an option to renew for two years, not to exceed a total of four years.

Norm Crume moved, seconded by Jackson Fox, that the City Council authorize the City Manager to sign the contract with ACS for the maintenance of the City of Ontario's SCADA and Electrical systems. Roll call vote: Crume-yes; Fox-yes; Fugate-out; Jones-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 6/0/1.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Tori Barnett stated she would be running some ads in the paper for upcoming vacancies on the various city boards. Even those currently serving who had terms up for renewal, needed to submit a request for reappointment. It could be done via email or letter sent to City Hall.
- Councilor Verini stated the returning 116th soldiers were still seeking employment.
- Councilor Fox stated he still had a question. On the sheet that Mr. Lawrence had given them a few weeks ago on the architects for the pool, he originally asked the question "was the \$75K all that was approved?", and he still had that question. He needed it explained to him.

Mayor Dominic stated they would have a follow-up on that because they did need to discuss what would be next after the Budget Committee meeting for the Aquatic Center.

- Councilor Jones asked, with regard to the audit for 2010, any information on when they could get that wrapped up?

Lisa Hansen had emailed the auditors on Friday asking for an update on the 2010 audit, but had not received a response back yet.

Councilor Sullivan asked if the auditor had been paid in full.

Ms. Hansen didn't believe so.

Councilor Crume asked why it was taking so long to complete.

Ms. Hansen indicated there were other audits being done. The previous Finance Director, Rachel Hopper, had been slow in submitting the document to the auditor, so the city missed the window. It was the city that caused the delay, not the auditors. Oster hadn't indicated any concern about the deadline. They were still looking for ending numbers. Oster believed the process was going well.

- Mayor Dominick passed out a two-page email from a citizen concerned about the Ontario High School graduation being moved to a Wednesday this year. He asked the Council read the letter and provide comments.

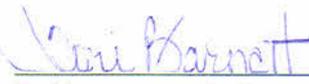
ADJOURN

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

APPROVED:

ATTEST:

 FOR JOE DOMINICK
Joe Dominick, Mayor


Tori Barnett, MMC, City Recorder