

COUNCIL MEETING MINUTES
January 19, 2010

The regular meeting of the Ontario City Council was called to order by Mayor Joe Dominick at 7:00 p.m. on Tuesday, January 19, 2010, in the Council Chambers of City Hall. Council members present were Norm Crume, Joe Dominick, Charlotte Fugate, John Gaskill, Susann Mills, David Sullivan and Ron Verini.

Members of staff present were Henry Lawrence, Tori Barnett, Larry Sullivan, Bob Walker, and camera operator Delaney Kee.

Ron Verini led everyone in the Pledge of Allegiance.

John Gaskill moved, seconded by Charlotte Fugate, 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

Charlotte Fugate moved, seconded by Ron Verini, to approve Consent Agenda Item A: Approval of Minutes of regular meeting of 12/21/09; Item B: Approval of Minutes of Electronic/Telephonic meeting of 01/07/10; Item C: Proclamation: Fire Service Appreciation Day – January 27, 2010; Item D: Resolution #2010-101: Permanent Utility Easement Agreement from J.R. Simplot to the City for Existing Sewer Lines; and Item E: Approval of the Bills. Roll call vote: Crume-yes; Fugate-yes; Gaskill-yes; Mills-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

On a side note, Mayor Dominick stated that on March 19th, the Ontario Sister City Organization visitors from Osakasayama, Japan, would be in Ontario, and host families were still needed. If anyone was interested, please contact him at his office.

The Ontario Fire and Rescue Department, full-time and volunteer staff, headed by Chief Allan Higinbotham, were present to hear the proclamation read into the record by Mayor Dominick:

WHEREAS, the fire service members of Ontario have dedicated themselves to the protection of life and property of their fellow citizens, often at great risk to their own safety and well-being; and

WHEREAS, the fire service members of Ontario have continuously supported efforts to elevate the standards and training of firefighters and have been instrumental in increasing the public awareness of methods of fire protection and suppression; and

WHEREAS, firefighting is one of the most hazardous professions and requires extensive training, strength, endurance, courage and a selfless concern for the safety of the citizens of Ontario; and

WHEREAS, the contributions and sacrifices of valiant fire service members are often inadequately recognized by the public, and

WHEREAS, the work of fire service members deserved the attention and gratitude of all individuals in Ontario.

NOW, THEREFORE, BE IT RESOLVED, that I, Joe Dominick, Mayor of the City of Ontario, do hereby proclaim January 27th of each year to be recognized as

FIRE SERVICE APPRECIATION DAY

and be it further resolved that the legislative assembly encourages all citizens in Ontario to recognize and honor our fire service members for their efforts to keep our citizens safe from the ravages of fire.

Al Higinbotham, Fire Chief, stated the department appreciated the Council's support. There was a lot of experience in the department, and he gave a personal nod to long-time volunteer Dave Lockner, who had been with the department for over 35 years. The Chief stated he couldn't be any more proud of his crew. They were very dedicated and hard-working.

Firefighters in attendance were Justen Allison, Mike Clark, Tom Davis, Dominic Desimini, Yorick deTassigny, Kipp Dombay, Mark Fillman, Jared Gammage, Gary Gibbs, Gabe Gomez, Frank Grimaldo, Frank Grimaldo, Jr., Todd Higinbotham, Kevin Hill, Lonnie Justus, Tony Klein, Brule Lehman, Dave Lockner, Allen Montgomery, Ron Park, Rick Ramirez, Paul Rangel, Jonathan Rico, Cameron Saito, Dusty Simpson, Matt Smith, Nick Smith, Tyler Swanson, Jim Wick, Brian Wickert and Casey Wilber. (*Underline denotes full-time staff*)

NEW BUSINESS

Resolution #2010-102: Continuing the Business Loan Fund Program and Revising Loan Criteria and Procedures

Larry Sullivan, City Attorney, stated the City of Ontario Business Loan Fund (BLF) was established by Resolution #87-103, dated March 2, 1987. In 2000, the City Council concluded that the BLF was being underutilized and in Resolution #00-128 it lowered the interest rate from a fixed rate of 5% to a new rate of 2% under the prime interest rate. In 2004, in Resolution #2004-140, the City Council again revised the BLF loan criteria, this time to permit businesses located outside the Urban Growth Area to be eligible for BLF loans if the projects financed provided benefits, directly or indirectly, within the Urban Growth Area. In the past year, as a result of defaults by businesses that had received substantial BLF loans, the City Council had a number of discussions, including a work session in October, 2009, to discuss revising the BLF loan criteria. Proposed Resolution #2010-102 was intended to address the concerns raised by the Council in those discussions.

The changes made to the BLF program by proposed Resolution #2010-102 included the following: Add as a goal to encourage loans to businesses in less commercially developed areas; Require applicants to meet at least three project goals; Make working capital an ineligible loan activity; Restrict loans to businesses located primarily in the Ontario city limits rather than loans that provide benefits within the Urban Growth Area; Add provisions making personal, financial information provided by applicants confidential and requiring the City to follow procedures to maintain that confidentiality; Require the Finance Director to investigate the value of collateral; Require at least one Loan Committee member to have accounting experience; Allow businesses that engage in gambling activities (such as the Oregon lottery) to be eligible for funds (the prior restriction making gambling businesses ineligible was eliminated); Eliminate the requirement that applicants create one new job per \$12,000 in loan funds; Change the application requirements in paragraph 7 to require applicants to provide criminal histories; three years of tax returns; a statement of credit card debt; a 12 month cash flow projection; PDAC approval; and, for newer businesses, to prove participation in the TVCC Bizcenter business planning program, or equivalent; Invite loan applicants to attend at least one Loan Committee meeting and encourage their other lenders to attend as well; Require Loan Committee members to declare conflicts of interest; and Change the loan terms in paragraph 11 to lower the floor for BLF loans from \$15,000 to \$10,000 and the length of the loan from 15 years to 10 years; raise the interest rate on loans from 2% under the prime rate to 3% over the prime rate, with a minimum rate of 6%; require the applicant and other principals in the business to sign personal guaranties; change the maximum percent of the BLF loan from 33.33% to 20% for any project, and require applicants to provide at least 10% of the other funding; eliminate inventory as collateral for valuation purposes; tighten the language of loan subordinations; lower the value of equipment and other personal property when evaluating collateral; and specify that the City will perfect its collateral by filings with the Secretary of State or the County Clerk.

Resolution #2010-102 was intended to replace and supersede all prior BLF resolutions, as stated in paragraph one (1) of the resolution. This would have no impact on BLF loans that were already approved by the City. Those loans would remain subject to the loan agreements, security agreements, promissory notes and other instruments that were executed when those loans were approved.

Ron Verini moved, seconded by Charlotte Fugate, that the Council adopt Resolution #2010-102, A RESOLUTION CONTINUING THE BUSINESS LOAN FUND PROGRAM AND REVISING LOAN CRITERIA AND PROCEDURES. Roll call vote: Crume-yes; Fugate-yes; Gaskill-yes; Mills-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

Resolutions #2010-103 and #2010-104: Contract Award for Sodium Hypochlorite Generators and Transfer Funding from Water Contingency to Fund the Replacement Hypochlorite System at the Water Treatment Plant

Bob Walker, Deputy Public Works Director, stated he was seeking Council approval to award the bid for the replacement of the sodium hypochlorite generator system at the Water Treatment Plant; to award the bid for the new sodium hypochlorite generator system at the Wastewater Treatment Plant, which was approved under SEW-10 in the 2009-2011 Budget; and to consider the award of the sodium hypochlorite generator system at the Aquatic Center. Funding needed to be transferred from Water Contingency to a capital project fund for the system at the Water Treatment Plant, which would be under proposed Resolution #2010-104.

Mr. Walker had discussed the failure of the single electrolytic cell sodium hypochlorite generator system at the Water Treatment Plant at the Council Workshop on December 3, 2009. A proposed multi-cell sodium hypochlorite generator system was presented to the Council and the benefits of this system were discussed. The Council recommended that staff determine if there were any suppliers of the multi-cell system and, if so, request bids for a multi-cell sodium hypochlorite generator system.

The 500-pound per day (PPD) single cell sodium hypochlorite generator system at the Water Treatment Plant failed on October 12, 2009. The supplier of this unit was MIOX Corporation. This unit had failed five (5) times since it was placed in operation in the spring of 2006. The unit still had a partial warranty that would result in a cost of \$37,000 to the City of Ontario for a replacement unit. Due to past problems, it was not recommended to utilize this existing technology without purchasing a spare unit at an additional cost of \$60,000 that would result in an overall cost of \$97,000 to replace what currently existed at the Water Treatment Plant. MIOX suggested utilizing their upgraded sodium hypochlorite generator system at a cost of \$83,500 rather than replace the existing unit; however, that was still a single cell system and would have similar maintenance concerns as the existing unit. Since the system had been down, staff had to truck sodium hypochlorite to the Water Treatment Plant, at an approximate cost of \$15,300 to date. Overall, since the MIOX system had been in operation, the City of Ontario had spent approximately \$34,000 for trucking sodium hypochlorite to the Water Treatment Plant.

Many of the new sodium hypochlorite systems being installed were of the multiple cell type. If staff utilized the multiple cell technology at the Water Treatment Plant, it would require a unit with six (6) cells. Such a system was much more flexible and if one cell failed, the system would continue to operate on the remaining five cells. Also, the MicrOclor system could have a replacement cell shipped overnight. Staff recommended the existing unit be replaced with the multiple cell technology.

A new sodium hypochlorite generator system was proposed for the Wastewater Treatment Plant in the 2009-2011 Budget at a cost of \$120,000. If staff utilized the multiple cell system at the Wastewater Treatment Plant, it would require three cells, and it would be a big advantage to have the same system at both treatment plants.

At the present time, sodium hypochlorite was being trucked from the Water Treatment Plant to the Aquatic Center. The system for the Aquatic Center would only require a single cell. A sodium hypochlorite unit for the Aquatic Center was included in the RFP for pricing purposes only.

The alternative to the proposed multiple cell sodium hypochlorite system at the Water Treatment Plant was to replace the existing unit with the same technology for \$37,000; however, that option was not practical based on past maintenance history.

The system at the Wastewater Treatment Plant would be covered under the 2009-2011 Budget. The system at the Water Treatment Plant would be paid for from Fund 105 - Water Fund Contingency -, which had a current balance of \$1,153,900.

Mayor Dominick questioned the warranty on the unit?

Mr. Walker stated he believed it was a three (3) year full warranty, with years four (4) through seven (7) being prorated.

Councilor Sullivan verified that staff would continue to salvage the old MIOX unit?

Mr. Walker stated the City Attorney had submitted a letter to the MIOX Corporation, requesting a reimbursement to the City for the amount of warranty still remaining on the unit, which was approximately \$13,880.

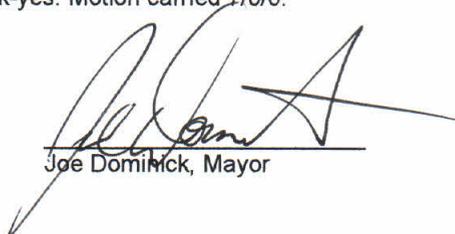
John Gaskill moved, seconded by Susann Mills, that the Council adopt Resolution #2010-103, A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH PROCESS SOLUTIONS, INC., FOR SCHEDULE A IN THE AMOUNT OF \$119,000 AND SCHEDULE B IN THE AMOUNT OF \$76,000 FOR THE INSTALLATION OF SODIUM HYPOCHLORITE GENERATORS AT THE WATER TREATMENT PLANT AND THE WASTEWATER TREATMENT PLANT RESPECTIVELY. EXECUTION OF THE CONTRACT WILL NOT OCCUR UNTIL CONTRACTOR HAS FULFILLED ALL THE REQUIREMENTS AS LISTED IN THE BID PROPOSAL; Further, it is moved that the Council adopt Resolution #2010-104, A RESOLUTION AUTHORIZING THE USAGE OF WATER CONTINGENCY FUNDS FOR THE PURCHASE OF THE SODIUM HYPOCHLORITE GENERATOR AT THE WATER TREATMENT PLANT. Roll call vote: Crume-yes; Fugate-yes; Gaskill-yes; Mills-yes; Sullivan-yes; Verini-yes; Dominick-yes. Motion carried 7/0/0.

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Henry Lawrence proposed a Council work shop on Thursday, February 4th, to hear a presentation by Waldo Insurance to introduce some insurance options.
- Councilor Verini reminded everyone of the Nation Suicide Hotline, which could be reached at 800-273-8255. Military personnel would call the same number, but would be prompted to select #1 to speak to an individual dealing specifically with military issues.
- Mayor Dominick commented on the ad running in the newspaper for vacancies on the City's boards and committees. Anyone interested should contact the City Recorder.
- Mayor Dominick reminded the Council of the meeting in Nyssa at their City Hall on January 21st at 11:00 a.m.; he stated the Council had been invited to attend the Eastern Oregon Council on Independent Living at 12:00 on Friday; and Representative Greg Walden would be in town on the 23rd at 9:00 a.m.

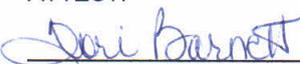
ADJOURN

John Gaskill moved, seconded by Charlotte Fugate, 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.



Joe Dominick, Mayor

ATTEST:



Tori Barnett, MMC, City Recorder