CITY COUNCIL WORK SESSION MINUTES
August 9, 2018

The scheduled Work Session of the Ontario City Council was called to order by Mayor Ronald Verini at 12:00 p.m. on Thursday, August 9, 2018, in the Council Chambers of City Hall. Council members present were Ronald Verini, Norm Crume, Tessa Winebarger, Dan Capron, Betty Carter, Ramon Palomo, and Marty Justus.

Members of staff present were Adam Brown, Tori Barnett, Larry Sullivan, Kari Ott, Debbie Jeffries, Dan Cummings, Cal Kunz, Betsy Roberts, Cliff Leeper, and Dan Beaubien.

The meeting was recorded and copies are available at City Hall.

Betty Carter led everyone in the Pledge of Allegiance.

AGENDA

This Agenda was posted on August 7, 2018. Copies of the Agenda are available from the City Hall Customer Service Counter and on the city's website www.ontariooregon.org.

Council added an Executive Session to the Agenda, under ORS 192.660(2)(h) and a marijuana update under Old Business.

WINEBARGER moved, CARTER seconded, **to ADOPT THE AGENDA AS AMENDED.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

PUBLIC COMMENT

Freddy Rodriguez, Ontario, stated: *Alfredo Rodriguez. Ontario is my place of residence. I just want to say today that I look forward to hearing, and I welcome the decision that will be made today by you guys to the appointing of the seat that will become vacant. I very much welcome it. But, that being said, most importantly, I wanted to say that regardless of the outcome today on that decision, my commitment to the community of this city will not waiver. I will continue. I want to make sure that is said today. Thank you. Thank you for your time.*

OLD BUSINESS

Marijuana Update

Adam Brown, City Manager, stated the Marijuana Ad-Hock Committee meets weekly. Staff would put their recommendations together for the Council. Also, he, Larry Sullivan, and Dan Cummings had been working together towards the ordinance. The recommendations from the Ad-Hoc committee should influence the ordinance. The Ballot Measure is on for November. He had also put a video on the city's Facebook page about marijuana.

Dan Cummings, Community Development Director, added he would be working on the land use ordinances. They'd like to have the new codes in place if the ban was lifted. The legal actions would occur after the election. The Council would also need to hold a joint planning meeting with the County.

Larry Sullivan, City Attorney, stated he believed they would have until January to take action, as it was his understanding that the statute regarding marijuana stipulated it would not become effective until January, 2019. If the Initiative passed in Ontario, it would not allow anyone to have any marijuana businesses in the UGA unless the county initiative passed, or a party could request to be annexed into the city.

NEW BUSINESS

Hangar Lease Transfer: 315 Golf to SRVEAA, Chapter #837
Dan Beaubien, Airport Manager, presented.

Hanger #315 Golf has been purchased by the Snake River Valley Experimental Aircraft Association, Chapter #837, and was seeking a lease from the City of Ontario. A new lease was drawn up to reflect the transfer of ownership and required Council approval.

The new lease will be set at an increased rate from the past owners and will therefore increase the dollar amount taken in from the City of Ontario.

As per city policy, the City Council is required to approve all leases generated from the Ontario Airport.

CRUME moved, CARTER seconded, **THAT THE CITY OF ONTARIO GRANT THE LEASE AS PRESENTED FOR HANGAR #315 GOLF AT THE ONTARIO MUNICIPAL AIRPORT TO THE SNAKE RIVER VALLEY EXPERIMENTAL AIRCRAFT ASSOCIATION (SRVEAA), CHAPTER #837.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

Appointment to Fill Upcoming Council Seat Vacancy
Tori Barnett, City Recorder, presented.

Councilor Winebarger has been accepted into nursing school, necessitating her resignation from service on the Ontario City Council. Councilor Winebarger tendered her resignation from the City Council, effective August 31, 2018, leaving a span of four months before the end of her regular term of service with the city

The Council discussed options for the Interim Councilor spot, and directed staff to post an advertisement soliciting letters of interest from the community for the temporary appointment. Staff posted an advertisement for the position in the local media on several different occasions. The cut-off for accepting letters was Tuesday, July 31, 2018, at 5:00 p.m. Four letters of interest were received from Ontario citizens interested in serving on the Council in the interim. Letters were received from Thomas Jost, Richard Newman, Freddy Rodriguez, and Zoila Mason.

It was important for the Council to have seven members seated when conducting city business, so an appointment effective immediately upon the departure of Councilor Winebarger would keep the Council at full capacity.

Councilor Justus asked to table this action until the candidates could be in attendance. He hadn't spoken to them yet, but he'd like to have them there.

Councilor Winebarger stated she wanted to take action at the current meeting. Councilor Crume agreed.

Councilor Capron stated he had some questions for the candidates, so he was a bit disappointed.

Mayor Verini asked for a consensus on discussing this action, or vote. Capron-no; Winebarger-yes; Crume-yes; Justus-no; Carter-yes; Palomo-yes; Verini-yes. Consensus to vote that evening.

WINEBARGER moved, PALOMO seconded, **TO APPOINT THOMAS JOST AS AN INTERIM CITY COUNCILOR, BEGINNING SEPTEMBER 1, 2018, AND ENDING DECEMBER 31, 2018.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-no; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 6/1/0.

Gemini Properties Business Loan fund Application
Kari Ott, Finance Director, presented.

Jim and Anita Smith were partners of Gemini Property Holdings, LLC. They were working to open a fitness center in Ontario. They requested a $150,000 loan for improvements to the building in order to open the new fitness center.

The Business Loan Fund reviewed the application information and held two meetings. This resulted in a recommendation by the Business Loan Committee to approve the loan with the following recommendations:

Loan to: Gemini Properties, LLC;
Amount of Loan: $150,000;
Origination Fee: 1.5%
Duration of Loan: 10 years; and
Interest Percentage Rate: 5%

The Committee also requested guarantees from all of the following:

Personal Guarantees from Jim and Anita Smith; and
All Body Shop LLC's (besides Emmett).

The Applicant would be responsible for all recording fees including lien releases.

Regarding the Conditions of the Loan, the Committee recommends:

Applicant needs to purchase building;
Applicant needs an approved building loan from the lender.

Regarding city loan advancements:

Nothing will be paid unless the building loan closes;
Loan funds will be advanced with invoices presented and approved by Sandy Hemenway, BLF Committee Chairperson;
The loan funds will be paid directly to vendors.

Regarding collateral:

Lien on Ontario building;
Lien on Fruitland Building;
Lien on home; and
Assignment on life insurance – Banker's Life (two policies).

After the Business Loan Fund Committee set the stipulations on the loan, Mr. and Mrs. Smith were given a chance to look at the restrictions. On August 1, 2018, Mr. Smith sent an email with some concerns. The following are some of the points of the email:

The applicant was concerned about using the Fruitland property and home for collateral. Mr. Smith was worried that this would prevent refinancing of the buildings.
The applicant was concerned about putting a lien on other locations.
Mr. Smith was concerned that crossing separate LLC's would "pierce the corporate veil".
Applicant believes that personal guarantees alone would accomplish the same.
Finally, the applicant believes that the property alone would be sufficient collateral due to the improvements to be done on the building.

The Business Loan Committee was polled and it was decided to send the report to the Council and inform the Council what Mr. Smith requested. Also, there were a few responses to the above points.

The city could subordinate to the new lender which wouldn't prevent a refinance.
The Committee did not ask for a lien on other locations, only a guarantee from the LLC's.
Banks normally use the appraised value or purchase price of the collateral, whichever is less. In this case, the bank would use $395,000. There is no guarantee that the improvements would increase the value of the building for sale purposes.

The Business Loan Fund procedures are established in the most current Resolution #2018-101. The $150,000 loan would result in $40,917.60 interest to be added to the Business Loan Fund. Currently, there was approximately $500,000 available in the Business Loan Fund. The applicant was working on getting financing put together and finalized. The sooner a decision was given, it would be better for the applicant.

There were alternatives available to the Council for this matter. They could:

Approve the loan as the BLF Committee recommended.
Approve the loan with the stipulations amended as requested by Mr. Smith.
Approve the loan with a combination of 1 and 2.
Deny the loan.

It was the recommendation of the Business Loan Fund Committee to approve the loan with the previously stated stipulations.

CRUME moved, WINEBARGER seconded, **TO APPROVE THE BUSINESS LOAN TO GEMINI PROPERTIES, LLC, FOR $150,000, AT 5% FOR 10 YEARS, WITH A 1.5% ORIGINATION FEE, WITH THE FINAL STIPULATIONS APPROVED BY THE BUSINESS LOAN FUND WITH THE FOLLOWING EXCEPTIONS: LIENS ON FRUITLAND BUILDING AND PERSONAL RESIDENCE WILL NOT BE REQUIRED AND A GUARANTEE FROM THE BODY SHOP LLC'S WILL NOT BE REQUIRED.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-no; Capron-no; Winebarger-yes; Verini-yes. Motion carried 5/2/0.

Resolution #2018-133: Paid On-Call Firefighters Compensation
Adam Brown, City Manager, presented.

Adjustments to the Paid On-Call Fighters Compensation was last done in 2013. With changes to Oregon's minimum wage, some of the city's paid on-call firefighters were making just barely above minimum wage. This proposal was to adjust the wage for the paid on-call firefighters.

A paid on-call firefighter for the City of Ontario was required to complete 40 hours of in-house training as probationary firefighters before they could even respond to calls. Once completed, they continued training every Tuesday night of each week all year. Those trainings lasted for 2-3 hours. During the probationary year, they had to complete the 40 hour fire essentials class. Significant training was required to qualify to become an on-call firefighter.

Paid on-call firefighters were compensated based upon the hours they worked. Those pay rates were shown in the table below. The most recent change in pay was in 2013. Since that time, minimum wage had increased in Oregon and would continue to increase according to state law.

Amount Per Hour

Years Between Raises	Year	Low	High
	1982	$ 3.35	
6	1988	$ 5.00	$ 7.00
7	1995	$ 7.50	$ 9.50
5	2000	$ 9.50	$ 9.75
1	2001	$ 9.75	$ 10.00
1	2002	$ 10.00	$ 10.50
7	2009	$ 10.50	$ 11.50
4	2013	$ 11.50	$ 12.50
5	?		

The city's paid on-call staff provided coverage year round for all of the city's needs including fire, floods, secondary medical calls, HAZMAT, and search and rescue operations. They were required to pass an annual Physical Agility Test. Much of their time was volunteered without pay. All had full-time employment and responded around and within their normal work hours. It was also noted by the paid on-call firefighters that they participated in fund raising which has brought in tens of thousands of dollars to purchase equipment for the Department.

Staff was requesting a five-year compensation plan that would adjust each year by $.50 per hour. Junior firefighter wages would be consistent with Oregon's minimum wage scale.

Position	Current	9/1/2018	7/1/2019	7/1/2020	7/1/2021	7/1/2022
Shift Relief	$ 15.00	$ 16.00	$ 16.50	$ 17.00	$ 17.50	$ 18.00
Firefighter	$ 12.50	$ 13.50	$ 14.00	$ 14.50	$ 15.00	$ 15.50
Juniors	$ 10.50	$ 10.50	$ 11.00	$ 11.50	$ 12.00	$ 12.50

Paid on-call firefighters were a cost effective way to protect the city and the surrounding rural community. The amount paid for paid on-call fire-fighters was less than the cost of a full-time firefighter. In 2017, $80,375 was budgeted for paid on-call support and $55,389 was spent, leaving approximately $24,984 remaining. This volume has been relatively constant over the past five years at around 31%. The increase requested was approximately

19% over the course of the next five years. Fulfilling this compensation request would stay within the annual budgeted amount for paid on-call firefighters, which had remained the same for the past three years. No budget amendment would be necessary. The Council must approve compensation plan changes.

If the Council opted to do nothing on this request, the city could see a challenge in filling the 25 paid on-call spots currently on the city currently has.

WINEBARGER moved, CARTER seconded, **TO APPROVE RESOLUTION #2018-133, A RESOLUTION ADOPTING THE PAY SCHEDULE FOR THE PAID ON-CALL FIREFIGHTERS.** Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

DEPARTMENT HEAD UPDATES

Financial Report: June, 2018
Kari Ott, Finance Director, presented. (Report attached)

Public Works/JACOBS: Annual Report
Cliff Leeper, Public Works Director, presented. (Report attached)

Community Development: Annual Report
Dan Cummings, Community Development Director, presented. (Report attached)

HAND-OUTS/DISCUSSION ITEMS

Agenda: (Attached)
SREDA 08-08-2018

Minutes: (Attached)
Diversity Advisory Committee 06-12-2018
County Court: 07-11-2018; 07-18-2018
SREDA 07-11-2018

Thank you Letter from TVCC Foundation (Attached)

Monthly Department Stats: (Attached)
JACOBS/Public Works 06-20-2018 thru 07-26-2018
Ontario Fire & Rescue 07-2018 (Attached)

CORRESPONDENCE, COMMENTS, AND EX-OFFICIO REPORTS

- Councilor Justus stated his vote for abstaining and no vote in regard to Thomas Jost wasn't because he didn't believe that he was capable of being a Council person or that he wasn't capable of doing a good job. The reason he did that was because when they invited the citizens of this city to be a part of the process and did not take the time to hear them, they were presenting a false front. They fed the narrative that they were good old boys and that they had already made up their minds. Why tell these citizens to write a letter, then say they were all invited, but today was during a business day. When they invited during a business day, and they couldn't attend, don't make themselves believe they'd done all they could to invite the citizens to hear them. That's why he hadn't wanted to vote. He thought it was important that when they asked the committee members to make recommendations, that the Council listened. When they asked citizens to apply to be a City Councilor, the time would be taken to interview them. That was not done. That's why he wanted this on the record.

- Councilor Carter brought forward a suggestion to hold a monthly, city-wide clean-up day.

- Councilor Capron reminded them of the annual Cardinal & Corn event on August 18th. Proceeds went towards supporting local sports.

EXECUTIVE SESSION

Executive Session: ORS 192.660(2)(h)
An executive session was called at 2:51 p.m. under provisions of ORS 192.660(1)(h) to discuss current or potential litigation. The Council reconvened into regular session at 3:28 p.m.

ADJOURN

CRUME moved, CAPRON seconded, **THAT THE MEETING BE ADJOURNED**. Roll call vote: Crume-yes; Carter-yes; Palomo-yes; Justus-yes; Capron-yes; Winebarger-yes; Verini-yes. Motion carried 7/0/0.

ACCEPTED:

Ronald Verini, Mayor

ATTEST

Tori Barnett

Tori Barnett, MMC, City Recorder