

**4-25-2012**

Judge Shaw opened the special session of the Gilliam County Court at 8:30 a.m. on Wednesday, April 25, 2012 at the Gilliam County Courthouse-Condon, Oregon

County Court Members Present: Judge Patricia Shaw, Commissioner Dennis Gronquist and Commissioner Michael Weimar. Absent: None.

#### IN THE MATTER OF BUSINESS DEVELOPMENT LOAN APPLICATION

The Court reopened the discussion which was tabled at the previous meeting regarding the application for a business development loan for the purchase of Twist and Shake Drive In. Applicant Carolyn Gubser and her daughter Brandi Girvin were present for the discussion.

The discussion opened with Commissioner Gronquist asking the applicants if they had pursued financing from lenders other than the County. Gubser said they have not looked into other loan options because they do not want more than one loan/one payment. Judge Shaw expressed concern about the request for 100% financing. Commissioner Gronquist concurred with Judge Shaw's concern noting he does not believe the County's loan program was intended to provide 100% financing. He expressed additional concern that if approved this loan would use the majority of the fund balance. Commissioner Weimar concurred with the previously stated concerns and said he cannot support 100% financing. Gubser pointed out the County would not share security with another lender if there is only one loan.

Discussion followed on interest rate. Judge Shaw suggested adjusting the interest rate up to account for the 100% financing.

Ernie Barnett was in the audience and addressed the County Court stating he is willing to finance \$10,000 interest free if the Court will loan the remaining \$155,000. He spoke about payment options for the loan he is offering. Barnett stated he believes the business can be very successful. Discussion followed. Judge Shaw suggested the Court consider Barnett's proposal. Interest rate for the county loan was discussed.

At the conclusion of the discussion **Motion** was made by Commissioner Gronquist, seconded by Commissioner Weimar, to approve a business development loan to Bill and Carolyn Gubser for the purchase of the Twist and Shake Drive-In in the amount of \$155,000 at 5% interest for a 15 year term. Shaw – Yes; Gronquist – Yes; Weimar – Yes; All in favor, **Motion Carried**. It was noted a lien will be placed on the building and on the fixtures/equipment.

## IN THE MATTER OF NORCOR OPERATING EXPENSES

Judge Shaw explained an agreement presented to the County Court for consideration. The agreement presented is submission to arbitration matters pertaining to allocation of NORCOR operating expenses.

The agreement outlines the following:

- The participating counties of NORCOR originally entered an intergovernmental agreement to create NORCOR, issue general obligation bonds, construct the facility and share in its operational expenses.
- In recent years questions have arisen among members concerning cost allocation for the continuing operating cost of the facility.
- The parties have been unable to resolve their differences.

The Courts and Boards of Commissioners of the NORCOR counties are each now being asked to approve an agreement of "Submission to arbitration on matters pertaining to allocation of NORCOR operating expenses".

Commissioner Gronquist questioned why the County Courts would agree to arbitration. Judge Shaw explained Hood River County will not pay their share of the operating expenses and this has been suggested as resolution. Brief discussion followed. Past Gilliam County Sheriff/Past NORCOR Administrator Paul Barnett and Gilliam County Sheriff Gary Bettencourt were in the audience and offered some history on NORCOR, prior commitments and obligations, information on current operations, and their thoughts on the matter. Barnett suggested rather than agreeing to arbitration the counties should consider filing a lawsuit against Hood River County.

At the conclusion of the discussion **Motion** was made by Commissioner Gronquist, and seconded by Commissioner Weimar, to decline signing the arbitration agreement. Shaw – No, Gronquist – Yes; Weimar – Yes. **Motion Carried.**

## IN THE MATTER OF THE CONDON SWIMMING POOL PROJECT

It was reported the Condon Swimming Pool mechanical improvements project has run in to a delay due to issues WI construction recently encountered with their concrete batch plant. As an option, to avoid further delay, Schott got an estimate from another concrete supplier and said it would be approximately \$6,500 additional cost to the project. In addition, the concrete delivery that was anticipated yesterday was not delivered so there is additional cost for the contractor that the County will be billed for. The other option is to wait until next week in hopes WI Construction will be able to deliver the concrete. It is the recommendation of Schott to wait until next week and

consensus of the Court to take Schott's recommendation, knowing it will delay the project schedule.

It appearing to the Court there was no further business to be conducted at this time, and no additional matters to be considered, Judge Shaw adjourned the meeting.

GILLIAM COUNTY COURT

By \_\_\_\_\_

Patricia J. Shaw, Judge

By \_\_\_\_\_

Dennis Gronquist, Commissioner

By \_\_\_\_\_

Michael Weimar, Commissioner

*Recorder: Leanne Durfey*