

**CITY OF JOHN DAY
CITY COUNCIL MINUTES
JOHN DAY, OREGON**

June 12, 2012

Adjourned Meeting

COUNCILORS PRESENT:

Donn Willey, Councilor
Doug Gochmour, Councilor
Don Caldwell, Councilor
Gene Officer, Councilor
Chris Labhart, Councilor

COUNCILORS ABSENT:

Steve Schuette, Council President

STAFF PRESENT:

Peggy Gray, City Manager
David Holland, Public Works Director

GUESTS PRESENT:

Anna Bass, Oster Professional Group
Monty Nash, John Day
Sally Bartlett, Grant County Economic Development Coordinator
Shannon Adair, John Day
King Williams, GREAT

Agenda Item No. 1 – Open and Note Attendance

The John Day City Council meeting opened at 7:00 p.m. Councilor Doug Gochmour noted that all Councilors were present with the exception of Council President Steve Schuette who was absent and excused.

Agenda Item No. 2 – Administer the Oath of Office to the Newly Appointed Mayor

City Manager Gray administered the oath of office to Ron Lundbom for the office of the Mayor.

Agenda Item No. 3 – Approval of City Council Minutes of May 22, 2012

The minutes of the May 22, 2012 adjourned meeting were included in the agenda packets and presented for the Council's approval. Councilor Don Caldwell moved that the minutes of May 22, 2012 be approved as presented. Councilor Donn Willey seconded the motion, the motion passed unanimously.

Agenda Item No. 4 - Appearance of Interested Citizens

Mayor Ron Lundbom thanked those in attendance and asked everyone to please sign in. He asked if there were any additional items that anyone would like to add to the agenda. There were none presented.

Agenda Item No. 5 – Enter into Executive Session under ORS 192.600(2)(e) for the purpose of conducting deliberations with person designated by the governing body to negotiate real property transactions

At this time Mayor Lundbom stated the City of John Day will now meet in executive session. The executive session is held pursuant to ORS 192.660(2) (e) for this session, for the purpose of conducting deliberations with persons designated by the governing body to negotiate real property transactions.

Mayor Lundbom announced that the executive session is closed to the public. In accordance with applicable Oregon law, representatives of the news media are permitted to attend the executive session. However, the media is prohibited from disclosing any information discussed in the executive session. All discussions in the executive session are confidential and those present may not disclose any information discussed in the executive session. The executive session will not be held for the purpose of taking any final action or making any final decision.

Mayor Lundbom asked for a motion from the Council to move into executive session under ORS 192.660(2) (e). Councilor Donn Willey made a motion to move into executive session under ORS 192.660 (2) (e). Councilor Chris Labhart seconded the motion, the motion passed unanimously. The John Day City Council entered into executive session at 7:03 p.m.

Those attending the executive session included Mayor Lundbom; Councilors Willey, Officer, Gochnour, Labhart, and Caldwell; City Manager Gray; Sally Bartlett, Monty Nash and Shannon Adair.

Agenda Item No. 6 – Enter back into regular session

At 7:43 p.m. Councilor Doug Gochnour made a motion to return into regular session; Councilor Donn Willey seconded the motion. The motion passed unanimously.

Agenda Item No. 7 – Report from Grant County Economic Development Coordinator Sally Bartlett on Economic Development Activities

Mayor Lundbom introduced Grant County Economic Development Coordinator Sally Bartlett. Ms. Bartlett gave each Councilor her new business card and a copy of the Grant County Economic Development Strategic Report for the fiscal year ending June 2012.

Ms. Bartlett highlighted the major projects that she has been working on as follows:

- Eastern Oregon College of Industries and Arts in John Day, since August 2011 Ms. Bartlett has been helping entrepreneur LeAnne Gast to prepare and apply for a private career school license to open the Eastern Oregon College of Industries and Arts in John Day.
- This year more than 25 people have approached the Economic Development department for assistance.

- Grant County Economic Development office has supported a number of other groups and organization such as Blue Mountain Forest Partners, Chamber of Commerce, North Fork John Day River Watershed, John Day River Territory, OPLI, Grant County Library Foundation, Grant Union High School with grant writing, building organizational capacity, and budget tools and expertise.
- Silvie's Valley Ranch continues its work to complete an extended guest ranch developing the original ranch site near Seneca expecting to create 100 to 150 jobs by 2015.
- Community Counseling Solutions has broken ground for their new Critical Care Unit near the Blue Mountain Hospital creating 25 new positions.
- GREAT, Corp., sponsored a Community Education Group to discuss budget shortfalls and future for Grant County Schools. They will also be applying for a grant to fund a feasibility study for researching other areas of opportunities and cooperation between school districts.
- Blue Mountain Hospital, John Day School District and Prairie City School District have or are in the process of incorporating biomass heat into their energy systems.
- The USFS Ranger District office was completed and opened in Prairie City.
- Grant County Fairgrounds developed and implemented a strategic plan.
- Healthy Smiles Dental Clinic for those individuals and families without health care served more than 200 patients and provided more than 10 oral hygiene education sessions to the county's elementary students. The program is funded with a \$50,000 grant from the Ford Family Foundation. The grant was written by Grant County Economic Development.
- Both projects for the Rural Business Enterprise grant program are moving forward. A local egg producer is positioned to apply for an egg handlers' certificate to sell eggs to grocery stores and restaurants. The second business is implementing a local market plan in conjunction with local markets.
- John Day Farmers Market starts its third year on June 16.
- Grant County Economic Development is completing a year-long feasibility study for Community Counseling Solutions as to the David Romprey Oregon Warmline. The Warmline is a call in service for people who just need to talk to someone similar to other support programs around the country. The Warmline employs more than 50 people across the State of Oregon, with several jobs here in Grant County.
- Three new websites were added or upgraded to the Grant County website:
 - Community Wildfire Protection Plan at www.grantcountycwpp.com.
 - Grant County Fair Grounds at www.grantcountyfairgrounds.com.
 - Grant County Airport Industrial park at www.gcindustrialpark.com

Ms. Bartlett stated last year she visited with the City Council about a marketing plan for the industrial park, she stated pieces of that plan have been completed. She updated the Council regarding the ads in newspapers, she is looking into it but money is an issue. She has developed a Twitter account and has about a couple hundred followers.

Ms. Bartlett presented a new prototype of the new Grant County brochure to the City Council; she stated she is also working on a new brochure for the Grant County Industrial Park.

Ms. Bartlett explained the financing of her position to City Council; the position used to be funded through the state with rural investment funds; but since she has been here, those dollars have gone away. She tries to raise as much money as she can and what is left to be funded is financed 60% by the county and 40% by the cities and it is based on population. She explained that she took the CCS Warmline job because it was a fee for service and paid really well. She thought she might have money left over so that it can lower the costs to the cities for her position in the next two fiscal years; however, she stated they would not know for sure until June 30th.

Ms. Bartlett stated the Oregon Prospector website has been replaced with Expand Oregon website and is much easier to navigate and is easier for brokers and realtors to use. She stated the industrial park is on the website now but wasn't sure if it was opened up to the public yet.

King Williams stated GREAT needs a representative to replace Bob Quinton on the GREAT board. Mr. Williams gave a background on the purpose of GREAT and stated they have been doing a lot of their work via email; they now only meet about every other month. Mr. Williams stated the representative is supposed to report back to the Council to keep the Council up to date on economic development activities. Mayor Lundbom stated he would do it.

Agenda Item No. 8 – Presentation of the annual System Development Charge (SDC) Accounting Report by Anna Bass of Oster Professional Group

Ron Lundbom introduced Anna Bass of Oster Professional Group who was present to give the annual System Development Charge (SDC) report to the City Council.

Ms. Bass stated the City passed an SDC ordinance in fiscal year 2010, according to the city's ordinance the City Recorder is supposed to give an annual SDC report to the City Council and the ORS also states that all SDC revenues must be deposited in accounts designated for such moneys. Ms. Bass stated Oster Professional Group wasn't exactly sure how to interpret the ORS and decided to ask the Secretary of State for clarification. Ms. Bass stated the City of John Day has always kept track of their SDC money and kept the funds separate in the reserve funds and none of the monies have been spent and we have allocated interest to those dollars as we are supposed to do. According to the State of Oregon we are doing the best faith effort in our reporting; but they suggested we open a separate cash account for the SDC funds in order to keep the revenue completely separated in different cash accounts.

Ms. Bass discuss this issue with City Manager Gray and Public Works Director Holland and we all agreed that we would like to open up a separate account for the SDC funds as it is the safest and most transparent thing to do. We are currently in the process of opening up a money market account with the Bank of Eastern Oregon so that we can transfer these dollars into the new account. The interest accrued in this account will be definitely SDC dollars and it's available to physically transfer the cash should an authorized SDC expenditure come up but the dollars are kept separate. That way there is no question that we are keeping track of our SDC dollars correctly.

Included in your agenda is the activity that has happened for SDCs since its implementation since fiscal year 2010. In fiscal year 2010, the City had three water SDCs and one sewer; fiscal year 2011, the City had one water SDC and two sewer SDCs; for fiscal year 2012 the spreadsheet that was included in the agenda has been replaced and updated because since the time of the agenda we received the SDCs from the new Regional Acute Care Facility. The total water SDCs that have been collected is \$20,487.86; total sewer SDCs that have been collected is \$21,848.70 (this also includes interest allocation). The amount to be transferred to the new SDC money market account is \$42,336.56. Ms. Bass stated she would electronically transfer \$42,336.56 from the general administration account to the new SDC money market account the next day. Ms. Bass stated by doing this the SDC spreadsheet report will balance with the bank reconciliation report and we can show that we are properly maintaining the SDC revenue.

The Council thanked Ms. Bass for the good job in reporting. Mayor Lundbom questioned how the SDCs were calculated. Mayor Lundbom was updated on the Water and Sewer System Development Charge Study developed by Anderson Perry & Associates, the fees is derived from the rate schedule from the

study. Public Works Director stated the Regional Acute Care Facility's SDCs were calculated on the number of employees and the number of beds (10 bed facility).

Agenda Item No. 9 – Discuss Water Infrastructure transfer of ownership request to the City of John Day

City Manager Gray explained Del Woodcock developed 8 tax lots east of the Grant County Regional Airport a few years ago. As part of this project he connected to the city's water line at the airport down across these properties. The water mainline passed the pressure test and water samples. City Manager Gray stated they did not connect to the sewer system as it was not available. Mr. Woodcock is asking that the City accept this waterline as part of their system. He constructed the line as per city standards and has waited over the required 1-year period before the line can be turned over to the City.

Councilor Gochnour asked by taking over the infrastructure; what is the advantage to the City. Public Works Director stated the City could extend off of that line to further subdivisions or other properties in the future and collect system development charges to hook into the system, it becomes ours.

Councilor Labhart asked about the availability of sewer and why didn't they connect to the City. Public Works Director Holland stated the sewer was not available because it sits below the city's sewer main. They could bring it up but would have to put in individual sewer pumps for each lot.

Councilor Labhart moved to transfer water infrastructure ownership (tax lots 3500, 3501, 3600, 3601, 3700, 3701, 3800, & 3801, map 13S31E26) owned by Del Woodcock to the City of John Day. Councilor Willey seconded the motion; the motion passed unanimously.

Agenda Item No. 10 – Discuss water service at 100 East Main Street (Pete Rawlins property at corner of Main and S. Canyon Blvd)

City Manager Gray explained Les Zaitz emailed her asking her how much it would cost to get water service at 100 East Main Street for the summer months. They would like to make it easy for the volunteers to water the downtown plants and trees. In the agenda City Manager Gray thought this would be a good opportunity for the Council to express their thanks to the Grant County Economic Council for all the work they have done in cleaning up that property by giving them a reduced or free water for the summer months. However, city attorney Jeremy Green reviewed the agenda prior to tonight's meeting and informed the City Manager that he did not believe the City Council had the authority by ordinance or resolution to authorize reduced or free water to customers.

The City Manager and the Public Works Director discussed the issue and decided that the city attorney had a valid point and revisited the water resolution. We found that we could give the Economic Council the bulk water rate as the water service was going to be used for irrigation purposes only and qualified for that bulk water rate of \$4.59 per 1,000 gallons. Public Works Director Holland stated the water usage will be metered and billed accordingly.

Councilor Willey also had concerns with giving free water and agreed the bulk water rate would be fair.

Councilor Labhart declared a conflict as he is involved in the project. Councilor Willey moved to charge the bulk water rate for the property located at 100 E. Main Street to Grant County Economic Council during the summer months. Councilor Caldwell seconded the motion, the motion passed unanimously.

Agenda Item No. 11 – Other Business and Upcoming Meetings

1. League of Oregon Cities bulletins were included in the council packets.
2. The Council received an update on the lot line adjustments for the City encroachment issues. The lot line adjustment applications between the City of John Day and the Cernazanu's and the Russell's have been submitted to Benchmark Surveying. Benchmark is in the process of preparing the preliminary plats showing the property line adjustments. Once we receive the preliminary plats; signatures need to be obtained giving the City the authority to proceed with the surveying of the properties. Mayor Lundbom was updated on the encroachment issues.
3. City Manager Gray informed the City Council that the Notice of Intent for the TE-OBPAC grant was submitted for Phase 2 of the Downtown Improvement Project. However, she was informed that Mike Cosgrove has also submitted a Notice of Intent for the People Mover for bus shelters throughout the county. As ODOT is only accepting one application per region under 5,000 population; Mr. Cosgrove stated he would ask ODOT if the applications could be combined. However, ODOT did not respond by the application deadline. City Manager Gray stated Mr. Cosgrove reminded her that ODOT had set aside \$400,000 for the City for Phase 2 once the City proved they could complete Phase 1. City Manager Gray's concern was that the City had nothing in writing in regards to the \$400,000 that was set aside.
4. City Manager Gray informed the City Council that Kenny Stevens of the Public Works Department is retiring June 29, 2012. She submitted an application to the Incentive Awards Committee requesting to give Mr. Stevens a \$200 gift certificate as a retirement gift. The Incentive Awards Committee approved the request and the expenditure will be expended out of the incentive awards line item budgeted in the Street Fund.
5. The May 2012 Statement of Revenue and Expenditure Budget to Actual Reports were included in the council packets for the council's review and information.
6. Councilor Labhart informed the Council that he has been accused of a conflict of interest as a County Commissioner candidate. He wanted to let the Mayor and the City Council know that if he wins the November election, he would be resigning his position as a John Day city councilor.
7. City Manager Gray stated she would have the City of John Day Candidate Packets ready by the next council meeting for the November 2012 election.

Adjourn

There being no further business before the Council, Councilor Donn Willey made a motion to adjourn the meeting. Councilor Don Caldwell seconded the motion and the motion passed unanimously. The meeting was adjourned at 8:35 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, JUNE 26, 2012

Mayor Ron Lundbom