

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

**August 28, 2012**

**Adjourned Meeting**

**COUNCILORS PRESENT:**

Ron Lundbom, Mayor  
Donn Willey, Councilor  
Doug Gochnour, Councilor  
Don Caldwell, Councilor  
Chris Labhart, Councilor

**COUNCILORS ABSENT:**

Steve Schuette, Council President  
Gene Officer, Councilor

**STAFF PRESENT:**

Peggy Gray, City Manager  
Dave Holland, Public Works Director

**GUESTS PRESENT:**

Sally Bartlett, Grant County Economic Development Coordinator  
Phil Gray, KJDY

**Agenda Item No. 1 – Open and Note Attendance**

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

**Agenda Item No. 2 – Approval of City Council Minutes of August 14, 2012**

The minutes of the August 14, 2012 adjourned meeting were included in the agenda packets and presented for the Council's approval. **Councilor Don Caldwell made a motion that the minutes of August 14, 2012 be approved as presented; Councilor Doug Gochnour seconded the motion. The motion passed unanimously.**

**Agenda Item No. 3 - 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. 4 – Discuss for Adoption Resolution No. 12-694-18, a Resolution adopting a Capitalization Policy for the City of John Day**

City Manager Gray explained our auditor suggested the City consider increasing our capital outlay threshold. Currently our capital outlay threshold is \$500. City Manager Gray stated the auditor suggested a threshold anywhere from \$2,000 - \$5,000 and has an estimated useful life of one year. She explained that the current \$500 threshold is not enough with items being more disposable and the low amount causes a lot more work for our auditors.

City Manager Gray stated Resolution No. 12-694-18 establishes a framework for the City's overall capital asset planning and management setting the capital outlay threshold at \$5,000 and having an estimated useful life in excess of one year. She also stated the resolution had been reviewed by our auditor Kent Bailey of Guyer & Associates and by Bob Armstrong of Oster Professional. Both are satisfied with the resolution. The criteria outlined in Exhibit A will be used to determine which capital outlays should be reported as capital assets on the city's financial statements.

Councilor Doug Gochnour questioned if the City would have to do any new work as far as re-itemizing assets? He stated in the Forest Service they lowered their threshold and had to go out and measure everything again. City Manager Gray stated since we're increasing our threshold it shouldn't be a problem; however, she would ask Anna at Oster Professional and get back to the Council.

Mayor Lundbom asked why we have both an auditor and Oster Professional; City Manager Gray explained that since the City hired Oster Professional as our City Recorder position, they can't audit their own work and the City had to find a different auditor. Mayor Lundbom wanted to know if it (contracting the City Recorder's position) was still penciling out. City Manager Gray stated yes, Oster is currently charging the City \$3,500/month; which is less than what we were paying for the City Recorder position and we don't have to pay Oster benefits (insurance, retirement etc.). City Manager Gray stated the big drawback is not having that extra body in the office, but it has been working out.

**Councilor Donn Willey moved to adopt Resolution No. 12-694-18. Councilor Chris Labhart seconded the motion, the motion passed unanimously.**

**Agenda Item No. 5 – Review for Signature, Engagement Letter with Guyer & Associates**

Mayor Lundbom introduced the next agenda item; City Manager Gray explained this is an engagement letter from Kent Bailey of Guyer & Associates, CPAs for the city's annual audit. The letter states their audit objectives, procedures etc. for the year ended June 30, 2012. Mr. Bailey expects to begin the City's audit on September 4, 2012 and to issue their reports no later than November 1, 2012.

The fee for these services will be at their standard hourly rates plus out-of-pocket costs (such as travel) except that they agree that their gross fee, including expenses, will not exceed \$11,880 (last year's fee was \$11,650). City Manager Gray stated last year the City went out for RFP (requests for proposals) and the Council approved a three-year contract, this audit will be our second year of the three-year contract.

**Councilor Doug Gochnour moved to allow Mayor Lundbom to sign the engagement letter to complete the audit of the City of John Day for the year ended June 30, 2012 with Guyer & Associates, Certified Public Accountants LLC. Councilor Donn Willey seconded the motion, the motion passed unanimously.**

**Agenda Item No. 6 – Enter into Executive Session under ORS 192.660(2)(e) for the purpose of conducting deliberations with persons 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 Don Caldwell seconded the motion, the motion passed unanimously. The John Day City Council entered into executive session at 7:07 p.m.**

Those attending the executive session included Mayor Lundbom; Councilors Willey, Gochnour, Labhart, and Caldwell; City Manager Gray; Grant County Economic Development Coordinator Sally Bartlett, Public Works Director David Holland and Phil Gray, KJDY.

**Agenda Item No. 7 – Enter back into Regular Session – Discuss potential purchase offer of Industrial Park Property**

**At 7:50 p.m. Councilor Don Caldwell made a motion to return into regular session; Councilor Donn Willey seconded the motion. The motion passed unanimously.**

**Councilor Doug Gochnour made a motion for the City of John Day to proceed with a non-binding letter of intent that will include terms and conditions deemed necessary or appropriate by the City Attorney and/or City Manager such as a reversionary clause with Enviro Board; the letter will not grant or impose any legal rights and/or obligations on the Purchaser and/or the City. The letter is subject to the parties' mutual execution of a binding Purchase and Sale Agreement and any other documents or instruments the City may require. Councilor Donn Willey seconded the motion, the motion passed unanimously.**

**Agenda Item No. 8 – Other Business and Upcoming Meetings**

1. The LOC Bulletins for August 17 and 24 were given to the City Council for their review and information.
2. The Council was informed the DEQ has reviewed and approved the City of John Day TMDL Implementation Plan dated July 18, 2012.

3. The Council was reminded and encouraged to attend the meeting with the County Court on September 5, 2012 at 11 a.m. to discuss the possibility of the County sharing funds received from the renewal of the Secure Rural Schools Act.
4. City Manager Gray reminded the Council that Sean Maloney from ODOT will be here Wednesday, August 29<sup>th</sup> at 10:30 a.m. for a pre-project meeting for our Transportation Enhancement Project.
5. Council was reminded that the last date to register for the LOC Conference is September 7, 2012. City Manager Gray received a \$300 scholarship from LOC to attend the conference.
6. The Council was informed that Councilors Steve Schuette, Donn Willey and Doug Gochnour have filed for their current council positions.
7. The June 2012 and July 2012 Statement of Revenue and Expenditure Budget to Actual Reports were included in the council packets.

**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 8:03 p.m.**

Respectfully Submitted:

Peggy Gray  
City Manager

ACCEPTED BY THE CITY COUNCIL, September 11, 2012

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Mayor Ron Lundbom