

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

September 25, 2012

Adjourned Meeting

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Steve Schuette, Council President
Donn Willey, Councilor
Doug Gochnour, Councilor
Don Caldwell, Councilor
Chris Labhart, Councilor
Gene Officer, Councilor

COUNCILORS ABSENT:

STAFF PRESENT:

Peggy Gray, City Manager
Dave Holland, Public Works Director
Richard Tirico, Police Chief
Valerie Luttrell, Dispatch Manager

GUESTS PRESENT:

None

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.

Agenda Item No. 2 – Approval of City Council Minutes of September 11, 2012

The minutes of the September 11, 2012 adjourned meeting were included in the agenda packets and presented for the Council's approval. **Councilor Doug Gochnour made a motion that the minutes of September 11, 2012 be approved as presented; Councilor Steve Schuette 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 – Mayor Lundbom will update the City Council about the meeting with Oregon Trail Electric’s Board of Directors regarding the issue of providing 480 three phase power

Mayor Lundbom stated Councilor Labhart, Public Works Director Dave Holland, City Manager Gray and himself went to the OTEC Board meeting that morning in Baker City. He stated they did not have any numbers ready for us. Mayor Lundbom explained that Enviro Board has given the City the numbers for their electrical needs and we sent them onto OTEC last Thursday; however, OTEC had not had enough time for their engineers to run the test needed to give us a firm estimate. Werner did pull Peggy aside after the meeting stating he thought it would be close to the \$150,000 estimate.

Councilor Labhart stated Mayor Lundbom did an outstanding job presenting the City’s case. He answered all the questions and presented the City’s side. He stated he saw a little light, but a very little light like they were going to buy into a little of the project. Mayor Lundbom stated they were very skeptical, and thought this guy is going to scam the City; they thought it was too good to be true.

Mayor Lundbom stated he thought we made our point; Public Works Director Dave Holland stated a couple of them seemed a little skeptical, wondering if the City really checked this company out. They seemed positive about the potential for additional power and that it would be good for Grant County, the economy and for OTEC. The only question that he felt didn’t get asked to the OTEC Board was if OTEC was willing to help the City with the investment part of it. Mayor Lundbom stated he didn’t feel he could ask that question without having any numbers. Public Works Director Holland stated he understood that but he thought at some point we need to ask that of the OTEC Board and ask for a percentage of costs, like 25 percent knowing that they are going to get a return on their investment. Mayor Lundbom thought maybe they could supply the relay; Public Works Director Holland stated or maybe the transformer at the sight as they used to provide that service before they changed their line extension policy.

Mayor Lundbom stated OTEC thought they might have to beef up the infrastructure going up to the industrial park, which accounts for one relay. They thought one relay will do it, but if there is anymore development up there; we might have to look at a substation.

Mayor Lundbom stated we just asked that they treat us fair and use a cost plus instead of a big profit. One director did not like the comment. City Manager Gray expressed concerns about board’s comments on keeping the consumer rates low and not improving their infrastructure for future economic development needs. She stated she thought the board needs to have more vision towards future economic development.

Mayor Lundbom gave an update on the City’s meeting with OTEC Board member Gary Miller and stated Gary kept saying we can go with a private company as long as it is built to OTEC’s specifications. Mayor Lundbom explained that he received a quote from Sean Parsons for Michael’s who is a nationwide line extension company. I gave him the information and stated he could do the whole job for \$50,000 and make good money. Mayor Lundbom noted that is probably not counting the transformer and the relay, which is why he needs to get back with him to compare estimates.

Mayor Lundbom was hoping when OTEC puts their numbers together, they will also include what their potential income could be. Councilor Labhart stated their chairman stated this is the first time anything of this size has ever come before them.

Mayor Lundbom stated he would relay the numbers to the City Council as soon as we get them from OTEC.

Agenda Item No. 5 – Discuss request from Jerry Franklin of Eastern Oregon Realty

City Manager Gray stated Jerry Franklin has sent a letter requesting the City consider reserving the remaining industrial park lots with potential runway access for other future businesses that may also require thru the fence access such as Enviro Board.

Mayor Lundbom spoke for the Airport and stated that William has the last place that we will be able to allow another parallel taxiway on the west side of 1735; the next one will be the taxiway on 927 which would require a long taxiway to the lots. Councilor Donn Willey stated it was a stretch that someone would have a business on those little (one-acre) lots that would require that type of access; but he said we could certainly set aside a few.

City Manager stated she thought to review them on a case-by-case basis. Mayor Lundbom suggested that if they do request the access, we send them to the airport and let them tell them what is required to have the thru the fence on the east side. Once they see what is involved, they would realize it would be a great expense.

Councilor Schuette stated our objective is to sell lots. Councilor Gochnour stated you don't want to give up a bird in the hand for a future project that might not come for another 20 years.

It was the consensus of the Council to review each purchase offer on a case-by-case basis and not to reserve any industrial park lots.

Agenda Item No. 6 – Discuss canceling the October 23, 2012 council meeting due to the City Manager's vacation

Mayor Lundbom asked if there was any reason why we cannot allow City Manager Gray to have a two week vacation. Question regarding ongoing communication with Enviro Board was asked with City Manager Gray stating she would check her email regularly while she is gone and that William Peiffer usually copies Public Works Director David Holland on all of her messages. It was noted that Public Works Director Dave Holland will be the contact person in the City Manager's absence.

Councilor Doug Gochnour made a motion to cancel the October 23, 2012 city council meeting. Councilor Don Caldwell seconded the motion, the motion passed unanimously.

Agenda Item No. 7 – Other Business and Upcoming Meetings

1. The September 14th and 21st LOC Bulletins were given to the City Council for their information and review.
2. The August 2012 Statement of Revenue and Expenditure Budget to Actual Reports were included in the council packets.
3. City Manager Gray asked the Public Works Committee to meet next week to discuss the City's water leak policy. A meeting was scheduled for Tuesday, October 2, 2012 at 9 a.m. City Council Chambers.

Adjourn

There being no further business before the Council, Councilor Steve Schuette made a motion to adjourn the meeting. Councilor Donn Willey seconded the motion and the motion passed unanimously. The meeting was adjourned at 7:30 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, OCTOBER 9, 2012

Mayor Ron Lundbom