

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

**January 22, 2013**

**Adjourned Meeting**

**COUNCILORS PRESENT:**

Ron Lundbom, Mayor  
Steve Schuette, Council President  
Donn Willey, Councilor  
Doug Gochnour, Councilor  
Don Caldwell, Councilor

**COUNCILORS ABSENT:**

Gene Officer, Councilor

**STAFF PRESENT:**

Peggy Gray, City Manager  
David Holland, Public Works Director  
Ron Smith, Fire Chief  
Valerie Luttrell, Dispatch Manager

**GUESTS PRESENT:**

Stan Foster, PARC Resources  
Jim Spell, John Day  
Jerry Daake, Rural Fire Board  
Chris Cronin, John Day  
Dean Elliott, Rural Fire Board  
Angel Carpenter, Blue Mountain Eagle

**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 Councilor Gene Officer who was absent and excused.

**Agenda Item No. 2 – Approval of City Council Minutes of January 8, 2013**

The minutes of the January 8, 2013 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 January 8, 2013 be approved as presented; Council President 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 – Stan Foster, PARC Resources will be present to give a status report to the City Council and John Day Rural Fire Protection District regarding PARC’s Fundraising and Capital Campaign Advisory Services for the Construction of a new fire station**

Mayor Lundbom introduced Stan Foster of PARC Resources who was present to give the City Council and the John Day Rural Fire Protection District (JDRFPD) a status report for the fundraising and capital campaign project for the new fire station.

Mr. Foster thanked the Council for the opportunity and stated he wanted to address the concerns of the JDRFPD issued in a letter to the City Council. Mr. Foster stated PARC has completed the Feasibility Study and the Capital Campaign Plan, which is a necessary document that you have to have in order to complete grant writing applications and make a case to the funding agencies. It also articulates the message of why this project is necessary for the community. He stated the document was about six weeks behind schedule, the reason it was late was because PARC was trying to be responsive to the feedback from the Advisory Committee.

Mr. Foster stated he wasn’t present at the last meeting of the Advisory Committee; however, when the findings were presented to the Advisory Committee there was some dissatisfaction of some people of the Advisory Committee. Mr. Foster stated we are at the point where we are ready to move forward with both the grant writing and local fundraising; however, we were not sure we have the green light to move forward with the local fundraising as there was some push back on that. Mr. Foster stated we are at the point where we need to ask the City Council and the Rural Fire Board to agree to go forward with the bond measure. The reason for the bond is that in order to get grants, you have to have skin in the game; it’s just the way it works. Nobody wants to put money in unless you have your money in. The challenge with the fire station now is that federal funding for fire stations has pretty much disappeared. Funders look at fire departments as a governmental function; they want to see a governmental investment in it before they put any money toward it. Mr. Foster stated PARC has had conversation with Ford Family, Meyer and Oregon Community Foundation, who basically turned us down on this project. However, Meyer, Ford and Murdock all indicated they were interested in our project after we show local commitment.

The message was we couldn’t go out for grant writing until we made a decision on the fundraising. That wasn’t the message the Fire Board wanted to hear, Mr. Foster stated he wished he could say there was another pathway but based on their years of experience; he stated we have to make a decision now to go forward with a bond measure and recommended setting the bond at one million dollars. He stated the rest of the revenue can be generated through the selling of the old fire station and through grant writing. He estimated he could get \$400,000 - \$500,000 in grants (preliminary budget & capitalization requirements are estimated at 1,766,720). He gave an example of the Grant County Health Department; they had \$200,000 from the sale of the Behavioral Health building into the project plus \$100,000 from Rural Investment Fund in order to secure the million dollar grant. Mr. Foster explained they had \$300,000 of local money in order to get the grant money.

The unfortunate reality is that, though the Fire Department is applying for its 501 (c)(3) status, it is still considered by most grantors to be a government function, and is therefore difficult to raise funds through

grant sources. A significant local match is necessary to encourage funders to contribute. This puts the City and Fire Department in a difficult situation as it was made clear that the community wants to see a significant portion of the project paid for through grant money. The City and Fire Department will need to pursue an outreach and education campaign to get the community fully behind the project and willing to pass a bond measure to support the new fire hall.

Traditional methods of fundraising, such as naming opportunities and fundraisers are always helpful for local projects if for no other reason than to raise awareness. However, because of the disadvantage of the project in getting grant funds, a bond will be the most effective method in raising enough funds to entice funders. Given the current support for a 0.25/\$1,000 bond, with an organized outreach and education campaign, it is feasible for the City and Fire Department to raise local awareness and support for a bond of 0.30/\$1,000 or 0.0003. A bond at this level would produce \$1,014,120 over 20 years and is an ideal rate for the City to pursue. Combined with the already secured match, the project would only need \$388,180 in additional resources, which could be raised through grant sources. This reduced the burden on the City and Fire Department to do local fundraising for the project.

Mr. Foster stated he believed there is public support for a bond around one million dollars based on the survey and the feedback they have received. PARC believes that if the Council decided to go out for a November 2013 bond measure, they could begin the campaign right now and begin the grant writing with the anticipation of the bond measure.

Councilor Doug Gochmour asked Mr. Foster about the interest rates nationally; and stated “isn’t this about as good a time as ever to go out for a bond measure?” Mr. Foster agreed. Mr. Foster stated the City is also eligible for Community Facility Loan money; we could get USDA Community Facilities money as well. Mr. Foster thought it would be cheaper to go for a regular bond than to go through the USDA Community Facilities money due to the administrative costs. Mr. Foster stated there are all other programs that are available if we get into a shortfall, we have other alternatives and in some cases we have gone back to the funders and asked them to raise their contributions to cover that amount.

Mayor Lundbom asked when the hospital bond was due to go off the tax roll; City Manager Gray stated she thought it had about 10 more years. Chris Cronin of the Citizen’s Advisory Committee stated the Jail bond is now paid off. Mr. Foster stated that a local community fundraising effort would go hand in hand with the bond and thought that \$100,000 could potentially be raised. Part of that is to build a collective momentum; if neighbors contribute to something, they become supporters and it tends to encourage other people to contribute also. Mr. Foster stated that he knew the Fire Board has some concerns with doing the local fundraising. Rural Fire Board member Dean Elliott stated the Rural Fire Board was hoping to have a little “kitty” built up before we went out for a bond measure; evidently that is not going to happen according to what Mr. Foster is telling us.

Mayor Lundbom stated can’t we use his numbers as good faith numbers and count that as cash. Mr. Foster stated those numbers are Architect Peter Baer’s numbers and they are good numbers. We are working off what we think are the best numbers. Mr. Elliott had concerns with the number of \$75,000 for the sale of the current fire station; stating “it’s not worth that.”

Mr. Foster said a recent city survey, which drew 52 responses from residents, shows that taxpayers want a new fire station and he believed there’s general support for a bond measure. Jim Spell, also a member of the Advisory Committee, stated he’s unsure whether the survey gave a true representation of how the community feels.

Mayor Lundbom compared the project to Enviro Board regarding the cost of getting the three phase power to Lot 28; we just had to say “we’re doing it.” “We’ve been talking about a new fire station for 20 years.”

Mr. Foster stated he knew that is not what the Fire Board wanted to hear, he said the only alternative is for a major donor to write a big check and that is unlikely to happen. We’re going to have to do this ourselves; and stated we’ve done this enough times that we’re confident this is the right approach. Mr. Foster stated from the feedback they received from the survey; the community will step up and support this project provided that we make a sound argument for the project and don’t do any smoking mirrors. Lay the project out clearly and tell them exactly what we are going to do. It’s not a huge project. Any new taxes are not popular; however, \$54 a year (for a \$200,000 house, based on \$.27/1,000 of assessed value) is not a lot for fire protection.

Dean Elliott presented a letter that he wrote for the newspaper and wanted to get the steering committee’s opinion before he submitted it to the newspaper. Members of the City Council and the Rural Fire Board were given the letter and asked for comments by early next week.

Councilor Gochnour asked for a timeline for getting the bond measure on the November 2013 election. Mr. Foster stated he would like the Council to make a decision as soon as possible; however, he would find out the timeline to get it on the November ballot. He stated it’s important to the fundraisers that the City Council and the Rural Fire Board have made this project their top priority. He said under current circumstances, he doesn’t see how anyone could come in and have a successful grant; the funders are going to say you’re not ready and come back when you’re ready.

Mayor Lundbom asked Mr. Foster what we needed to do next. Mr. Foster stated you need a recommendation from the Fire Board (Citizens Advisory Committee) to move forward with the bond measure in relatively quick order. Mayor Lundbom questioned if we should sell it to the public before we commit to the bond? Mr. Foster suggested committing to the bond; then sell it to the public. He felt the committee had enough information to make a decision. It puts a stake in the ground that we’ve made a decision and are moving forward; absent that, we’re just spinning our wheels.

Mayor Lundbom asked the members of the Rural Fire Board (JDRFPD) if they were ready to make a decision. Councilor Steve Schuette suggested the Citizen’s Fire Advisory Committee hold a meeting and come back with a recommendation to the City Council and the Rural Fire Protection District. City Manager Gray stated she would set up a meeting with the Citizen’s Fire Advisory Committee on Monday, February 4, 2013 at 10 a.m. to discuss the next step and bring back a recommendation to the John Day City Council at the February 12, 2013 city council meeting.

Mayor Lundbom thanked Mr. Foster for coming and the good report. Mr. Foster stated he would be back for the February 4<sup>th</sup> meeting of the Advisory Committee and for the February 12<sup>th</sup> John Day City Council meeting.

**Agenda Item No. 5 – Discuss for Signature 2013 Special City Allotment Agreement, US26/Main St./Canyon Blvd: Sidewalk/Beautification Project**

City Manager Gray stated the City received a Small City Allotment grant in the amount of \$50,000. This grant is to help backup any out of pocket expense that we may not foresee in the planning and construction phases of our approved Transportation Enhancement (TE) project for our Downtown Beautification Project. There is no match requirement for the \$50,000 Small City Allotment grant.

The TE grant is to construct or replace sidewalks and install streetscape amenities on Canyon Blvd. from Main Street to SW 2<sup>nd</sup> Avenue and a section of Main Street between North Canyon Blvd., and SE Elm Street. The project cost is estimated at \$892,000; the Enhancement funds are estimated at \$800,000 with the City of John Day providing the match and any non-participating costs, including all costs in excess of the available federal funds. The City's match is 10.27% of Enhancement Funds eligible costs (total cost of completed project); the City has already provided a cash match of \$20,540 for the city's cash match for the preliminary engineering by ODOT. The City of John Day hopes to provide the remaining match required by in-kind donation for materials and labor (removal of existing sidewalks, electrical conduit, drip line, 1" HDPE water line) and will keep the required documentation that support the donation of materials and labor.

City Attorney Jeremy Green has provided cursory review of the agreement and has signed page 8, approving legal sufficiency.

**Councilor Doug Gochnour made a motion to allow Mayor Lundbom to sign the 2013 Special City Allotment Agreement No. 29063. Councilor Donn Willey seconded the motion. The motion passed unanimously.**

**Agenda Item No. 6– Discuss for Adoption Resolution No. 13-699-03, a Resolution ordering the dangerous building located at 405 SE Hillcrest Road, John Day, Oregon to be removed**

City Manager Gray stated at the November 13, 2012 council meeting, the City Council passed and adopted Resolution No. 12-695-19, declaring the Building located at 405 SE Hillcrest Road dangerous and ordered the Building's owner of record, its agent, or other person controlling the same, to remove or abate the Building. Resolution No. 13-699-03; constitutes an order requiring the removal of the dangerous building located at 405 SE Hillcrest Road. Included in the council packets is a memorandum from City Attorney's Office, Jeremy Green and Melissa Cobb to help facilitate your review of the resolution. City Manager Gray outlined the memorandum as follows:

Section 2 – Order of Removal

The City Council orders the Building removed at the expense of the property on which the Building is located and/or the Building's property owner under Section 2.

Section 3 – Statement of Work

Section 3 concerns the City Council's directive that the work described in the Statement of Work be completed in order to remove the Building. Among other things, the Statement of Work consists of demolishing the building, transporting the resulting materials to an appropriate dump site, and performing any necessary asbestos abatement. You will note that Item 4 provides the City and/or its contractor flexibility to perform any other work necessary or appropriate to demolish the building and remove the resulting materials from the subject property.

Section 4 – Bids for Performance of Work

Section 4 concerns the City Council's directive that the City Manager solicit, or cause to be solicited, in the manner provided for soliciting street improvement work, proposals for the performance of the work. The City Manager will present the proposals to the City Council for review and evaluation. Please note that this section also provides that the City Council may cause the work to be performed by the City if the

City Council reasonably determines that the City is capable of performing the work and the City's performance of the work will be more cost efficient.

Section 5 – Assessment

Section 5 provides that after the work is performed, the City Council will ascertain and determine the cost of the work and assess the same against the subject property and/or the subject property's owner. This will be done later by ordinance of the City Council.

Be advised that the City's enforcement of the Dangerous Building Code in connection with this matter will be costly. After the assessment ordinance has been adopted, the City will place a lien on the subject property. The lien will then be foreclosed by appropriate filing with the Grant County Circuit Court. The lien and foreclosure process will likely cost the City between \$1,500.00-\$3,000.00, assuming the City does not experience any difficulties. If the City experiences any difficulties, the lien and foreclosure process may cost the City considerably more. Although the City will attempt to recover its costs and expenses, the City may never recover all the costs and expenses the City incurs in connection with this matter.

Fire Chief Smith stated he looked at the building to see if the Fire Department could do a learn to burn. The building is very close to the neighbors, the property has a lot of trees and it's a small lot. He said they would have to have fire departments from Prairie City, Canyon City and Mt. Vernon; he didn't feel comfortable burning the house down with the neighbor's house so close.

Council discussion on where would the money come from out of the city budget; City Manager Gray stated once we know the cost, we can discuss where to pull the money out of. She stated the general fund has \$10,000 in the contingency line item. Councilor Doug Gochnour stated we don't have a choice, we have to remove the building as it was declared a dangerous building by the City Council.

Asbestos removal was discussed; Fire Chief Smith stated with the era of the building he suspected the building contains asbestos.

**Councilor Donn Willey moved to adopt Resolution No. 13-699-03. Councilor Doug Gochnour seconded the motion. The motion passed unanimously.**

**Agenda Item No. 7 – Discuss Staff's attendance at the annual CIS Conference in Portland**

City Manager Gray stated each year City County Insurance (CIS) holds an annual conference in Portland. CIS encourages staff from each entity to attend the annual conference. Police Chief Tirico and I have attended these conferences in the past and both of us found them to be very beneficial. As you can see from the agenda, this conference is packed with useful sessions relating from health care to law enforcement. I have registered Police Chief Tirico, Dispatch Manager Luttrell and myself to attend this important conference.

The date for this conference is February 13<sup>th</sup> through February 15<sup>th</sup>. City Manager Gray requested to be excused from the February 12, 2013 council meeting in order to drive to Portland the day before the conference begins on the 13<sup>th</sup>. She did offer to drive up that morning of the 13<sup>th</sup> if the Council was uncomfortable holding the council meeting without her being present.

Mayor Lundbom stated he felt more comfortable with her driving up the day before the conference and asked for a motion from the City Council.

**Councilor Donn Willey moved to excuse City Manager Gray from the February 12, 2013 regular city council meeting in order to attend the 2013 CIS Conference in Portland, Oregon. Councilor Doug Gochnour seconded the motion, the motion passed unanimously.**

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

1. The January 11 and January 18, 2013 LOC Bulletins were given to the City Council for their information and review.
2. An invitation for the Mayor and Councilors to attend City Day at the Capitol on February 27, 2013 from the Oregon Mayor's Association was presented to the Council. Need to register by February 13<sup>th</sup>.
3. Public Works Director David Holland gave an update and highlighted the major activities of the Public Works Department for the past year as follows:
  - Jetted 66,900' or 12.67 miles of sewer lines
  - Cleaned and exercised approximately 400 mainline valves
  - Exercised and maintained 102 fire hydrants
  - Repaired 3 water main breaks
  - Hand dug and repaired/replaced 40' of 8" sewer main
  - Responded to 90 utility locates
  - Prepped cracks in asphalt and laid over 3,000 lbs. of crack seal
  - Applied over 2,000 gallon of weed spray to road shoulders
  - Replaced 60' of culvert under Bridge Street
  - Treated 98,840,000 gallon of sewage
  - Treated and disposed of 83,000 gallons or 11.08 tons of sludge
  - Produced 114,868,000 gallons of water
  - Cleaned all storm drains and catch basins
  - Clean and maintained 4 booster stations and three well houses
  - Maintain City Hall building and grounds
  - Maintain two pocket parks
  - Service and maintain 18 vehicles
  - Spring cleanup most all streets
  - Monthly cleaning of Main Street
  - Monthly meter reads, flush sewers, clean 3 lift stations, jet restaurant lines
  - Responded to 90 calls from dispatch/49 were after hours calls

**Adjourn**

**There being no further business before the Council, Council President Steve Schuette made a motion to adjourn the meeting. Councilor Don Caldwell seconded the motion and the motion passed unanimously. The meeting was adjourned at 8:28 p.m.**

Respectfully Submitted:

Peggy Gray  
City Manager

ACCEPTED BY THE CITY COUNCIL, FEBRUARY 12, 2013.

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Mayor Ron Lundbom