

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

April 9, 2013

Adjourned Meeting

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Don Caldwell, Councilor
Doug Gochmour, Councilor
Donn Willey, Councilor
Paul Smith, Councilor

COUNCILORS ABSENT:

Steve Schuette, Council President
Gene Officer, Councilor

STAFF PRESENT:

Peggy Gray, City Manager
Valerie Luttrell, Dispatch Manager
Ron Smith, Fire Chief
Richard Gray, Police Sergeant

GUESTS PRESENT:

Stan Foster, PARC Resources
Rob Batten, John Day Rural Fire Protection District
Jeremy Adair, John Day
Shannon Adair, John Day
Penny Bennett, John Day
Tami Moore, Elkhorn Country Store
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 Councilor Steve Schuette and Councilor Gene Office, who were absent and excused.

Agenda Item No. 2 – Approval of City Council Minutes of March 26, 2013

The minutes of the March 26, 2013 adjourned meeting were included in the agenda packets and presented for the Council's approval. **Councilor Donn Willey made a motion that the minutes of March 26, 2013 be approved as presented; Councilor Don Caldwell 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 two items presented, Tami Moore of the Elkhorn Country Store and Motel asked to be placed on the agenda for the Council's recommendation to upgrade her liquor license to Limited on-Premises Sales license, Ms. Moore stated she received her paper work today and she needed to have it approved by the City Council. Shannon Adair of 1188 Brewing Company LLC requested to be placed on the agenda also for a liquor license application for a Brewery Public House. City Manager Gray stated the 1188 Brewing Company's application came in on Friday; the agenda was already set when the liquor application was received.

Councilor Don Caldwell moved to add the liquor license applications for the Elkhorn Country Store and Motel and 1188 Brewing Company LLC to the April 9, 2013 council agenda. Councilor Doug Gochnour seconded the motion, the motion passed unanimously.

Mayor Lundbom placed the liquor licenses applications before the first action item as follows:

Mayor Lundbom introduced Shannon Adair of the 1188 Brewing Company LLC. Ms. Adair reminded the City Council of her and Monte Nash's visit with the City Council previously and informed the City Council that they are still very interested in going into the industrial park; however, they are waiting to see what is happening up there before choosing a location. They decided to start with a smaller location in the downtown district between the Dirty Shame Saloon and Radio Shack, where High Desert Office Supplies used to be located (141 E. Main Street, John Day). They want to open a very small micro brewery, get their licensing and get started. Meanwhile they will work on their business plan for the 10 barrel system at the industrial park.

Ms. Adair stated OLCC indicated that if they received the City's approval first, it would speed up their process. She stated they would probably be in business downtown for a year before they build a building at the industrial park. They would leave this location as their tap room, once their building at the industrial park is constructed and open. There will be a small food menu; the main focus will be brewing beer. Eventually the goal is to distribute at the larger location and provide jobs to the community.

Mayor Lundbom asked if anyone had any further questions; Councilor Doug Gochnour asked if there were any concerns from the John Day Police Department. City Manager Gray stated she spoke with Police Chief Tirico; as this is a new application with no past history, he had no concerns at this time.

Mayor Lundbom asked for a motion to approve the liquor license for 1188 Brewing Company LLC. **Councilor Doug Gochnour moved to recommend to the OLCC that the liquor license application for the 1188 Brewing Company LLC be granted. Councilor Donn Willey seconded the motion, the motion passed unanimously.**

Mayor Lundbom introduced Tami Moore of the Elkhorn Country Store and Motel. Ms. Moore stated she plans to extend onto her building at the Country Store to put in a growler fill station for the different micro brews that are in the state of Oregon. She stated her goal is to put in 25 taps, fill the growlers and have people take them home. The reason it is a limited license, and she does serve food; however she stated she has to be able to serve a 4 oz. tester. That is why she has to change to the limited on-premises sales license because she has an existing OLCC license.

Councilor Donn Willey asked that in order to upgrade you have to be able to serve at least four ounces. Ms. Moore stated yes, it is for tasting the different micro brews that are available. She stated customers

will bring their growlers, we will fill and seal them and out the door they go. They won't actually be sitting there drinking and/or eating.

City Manager Gray asked Sergeant Richard Gray if he had any concerns with the OLCC application. He stated he did not have any concerns.

Councilor Doug Gochnour moved to recommend to the OLCC that the liquor license application for the Elkhorn Country Store and Motel be granted. Councilor Donn Willey seconded the motion, the motion passed unanimously.

Agenda Item No. 4 – Discuss for approval a recommendation from the Citizen's Advisory Committee to approve a bond request for the November 2013 election for a new fire station in John Day

Mayor Lundbom introduced Stan Foster of PARC Resources. Mr. Foster stated that since he was last before the City Council he has met with the Citizen's Advisory Committee a number of times and there have been changes in the strategy that he needed to report back to the Council.

He wanted to report that there has been a change in the amount of the bond measure; the Citizen's Advisory Committee recommended increasing the bond measure from the previous figure of one million dollars to \$1.2 million. This in turn ups the recommended bond ratio to \$.355 /1,000. This is to provide for a little more security position, there is a possibility that we may receive additional grant funds and we might not have to tap all of that; however it seems prudent and appropriate to request the \$1.2 million and this puts the stake in the ground and he was here to ask the John Day City Council to approve the request of the Advisory Committee that the City and the John Day Rural Fire Protection District seek a \$1.2 million bond measure at the November 2013 general election.

Mr. Foster stated there was some question as to the value of the current fire station and if we really could get \$75,000 when we try to sell it. In the consideration of that, we just took that out of the scenario. So whatever comes in from the sale of the current fire station will actually reduce the overall costs.

Rob Batten, Chairman of the Rural Fire Protection District Board, informed the City Council that the Rural Fire Board approved a motion to support moving ahead with the bond measure of \$.355/1,000 at the November 2013 general election. They supported doing the bond measure as a combined bond issue between the Rural District and the City of John Day (single bond issue between both parties).

Councilor Paul Smith asked if a combined bond issue is acceptable with the Department of Revenue, Stan Foster replied that it is acceptable to do it this way.

Fire Chief Ron Smith stated we want to do a joint bond measure because if we did them separately, the City could pass the bond measure, but the Rural District might not pass it (or vice versa), then we wouldn't have enough funds to complete the project. This way by doing it as a combined (joint) bond measure it either passes or it fails.

Mayor Lundbom asked if the number of citizens in the district changed when he received the property owners list from the County Assessor's Office. He said he was hoping to receive an electronic printout; however, he received the same information as before. But we do have a printout that he will be glad to give to the District to use as a control document to make sure everyone in the District is contacted.

Mr. Foster stated the Advisory Committee has done a great job in getting a 4-tab flyer printed. We want to make sure that everyone in the City and the District receives a copy of that flyer. It is also to provide us with enough additional copies to have at open houses, public meeting, handouts etc. as we move toward the November 2013 election.

Mayor Lundbom asked about the Open House date. Fire Chief Ron Smith stated they are looking at May 11, 2013; the Saturday before Mother's Day. Not sure if they are going to have a breakfast or a hamburger, hot dog lunch. It will be held at the current fire station, they will have the bays open with fire apparatus inside so they can see the need for more room around the apparatuses.

Councilor Don Willey stated he has figured the worth of his home and did the math for the \$.355/1,000 and over the entire twenty years of the bond, he would only be paying \$355. Councilor Don Willey stated it's very doable. Fire Chief Smith stated that for a \$100,000 home over the entire 20 year bond measure it would only cost a home owner \$710 (35.50 times 20 years). Mr. Foster stated as valuations go up, we may be able to retire the bond a little earlier than the entire 20 year period. However, we also know that after 2009; that the valuations can also go the other way.

Mayor Lundbom asked what is planned for the next five months. Mr. Foster stated we will seek grant money, local donations; we're going to do an outreach to the citizens to promote the bond measure. We haven't tackled all the steps yet, we hope to get some lawn signs and keep the awareness up until the November election. Mr. Foster stated the Council and the District approving the bond measure gives us the tools to move forward.

Fire Chief Ron Smith stated he has spoken with KJDY about doing a Coffee Time now that we have some hard numbers; the firefighter volunteers talked about parking an engine at Chester's parking lot on a weekend and having a can drive. When you park an engine in a parking lot, it attracts the kids and then we can talk to the parents about the new fire station. The firefighters will also try to get out into the community and raise awareness. Table at the fair was discussed as well as fund raising when Cycle Oregon comes through. Mr. Foster stated that Cycle Oregon opens up another grant opportunity and becomes part of the picture.

Mr. Foster stated it is a fairly conservative number and there is no big icing on the cake, it reflects Grant County values. Mayor Lundbom stated he has heard positive comments about the new fire station. Mr. Foster stated the existing fire station has been in use for 60 some years; this building will very likely be used for 50 years as well.

Rob Batten stated it took him one year to find a fire truck that would fit into the current fire station's bay when he was looking for a replacement for an old engine for the Rural Fire District. Today's engines generally don't fit into the station. Fire Chief Ron Smith stated the City had to special order engine 522 in order for it to fit into the current station.

Councilor Paul Smith stated he thought the bigger picture is if we don't have good hospitals, a good fire department, good infrastructure, good schools; we are not going to attract people here, we're not going to attract new business here. In order for a community to thrive we have to look at the bigger picture. We have to have those infrastructural services. Councilor Smith stated he doesn't see any icing either, he gets comments that we're building the Taj Mahal; Councilor Smith thought the flyer explains that we're not.

Councilor Donn Willey stated he agreed with Councilor Smith; however, he stated we're building infrastructure for the people that are already here. That is the number one thing that he sees, he said yes, the gravy is that it will help bring people and businesses in, but we built the hospital and the fire station

for the people that are here but the bonus is that our infrastructure is strong for those people moving in with businesses and families that will look at that and will appreciate it.

Mayor Lundbom stated that for him it's putting it into dollar terms. When I tell them it will be \$710 over the entire twenty years of the bond for a \$100,000 home, it's like a one-time house payment for the entire term of the bond measure. That has been the biggest seller, Fire Chief Smith stated when you say \$1.2 million dollar, people think we can't afford it but when you break it down to the individual person, it's like a dinner at a local restaurant, \$710 over the entire twenty years is very doable. Mayor Lundbom stated the challenge is to make sure that everyone hears that and not just the \$1.2 million.

Councilor Paul Smith asked Fire Chief Smith if there were insurance issues that the current building poses to us in the future. Fire Chief Smith stated if we lost the building, in the winter time we would have to drain the engines, get every drop of water out of the engines between every call. The next call we'd have to stop at a hydrant to fill up before we could respond to that call. If the ISO (insurance ratings) discovered that obviously we would lose the rating that we currently enjoy, which are now very good. If our ISO ratings go higher, your fire insurance premium portion of your homeowner insurance will go up proportionately.

Fire Chief Smith gave an example of a person on the Rural Fire Board. She recently found out that her house is actually not located within the Rural District as she had thought; her insurance company found out that it wasn't inside the district, and her insurance premium went up from \$1,500 last year to \$5,000 this year. Fire Chief Smith stated that was because she is in an area with no fire protection. However, if you went from an 8 rating (which most of the Rural Fire District is) to a 9; it would probably be a \$300-\$400/year increase in just the fire premium. He explained if you could pay \$35.50 or \$71 per year versus \$300 or \$400 per year, financially it makes sense to keep your ISO rating as low as possible.

If we lost the building we would have to find a building somewhere that is heated in order to keep the engines warm inside. Typically it's easier for the Chief to get a brush rig from Mt. Vernon or Prairie City in the winter time because we have no room to keep our brush rigs inside. It's faster to have them come from Mt. Vernon or Prairie City by the time we get our rigs filled with water and in service; by having everything inside saves in response time.

Councilor Smith asked about volunteer safety issues. Fire Chief Smith stated if OSHA came in and saw the way we have to climb up, over, and around to get into the driver's wheel or pull a rig out. OSHA would probably condemn the building. There are issues with the building, we have to block off the street in order to work on the building, we can't even check the oil in the engines inside because the cabs have to tip and there is no head room to tip the cabs inside the building. You can't open the compartment doors to do rig checks inside; we have to close the street to wash the engines outside. In the winter time we try to wash the mud off of them, we freeze the streets; it causes a liability issue for the City.

Stan Foster stated that one of our arguments for the new fire station is to protect our ISO rating. Fire Chief Smith stated the City of John Day currently has a 4 ISO rating.

Councilor Donn Willey stated we need to protect not only our ISO rating but also our investment in equipment, which is very, very expensive to replace. Councilor Willey stated he is concerned about the brush rigs that sit outside, even though they're hand-me-downs, they're important to us and they are sitting outside exposed, it shortens the life of the vehicle. The hoses are getting UV'd to death.

Councilor Smith asked Fire Chief Smith if he had the room to do what he needs to do on the outside of the building, especially in front. Fire Chief Smith stated ODOT ROW goes into about 20' into the El Cocinero's awning, ODOT stated we could bring our aprons all the way out into the street. The City

owns the gravel area south to Carpenter's and Mayor Lundbom stated there is more asphalt underneath the edge of the bank that has been covered up from the sluff that has fallen down over the past forty years and could give you another 10'.

Mayor Lundbom asked what if Canyon City wanted to come in with John Day in the future. Fire Chief Smith stated John Day automatically runs on every call that Canyon City has. They probably only run five or 10 calls per year; for us to pick Canyon City up it wouldn't compromise us any more than if a new subdivision came into town (like the one that was proposed behind the Mormon Church). They just don't have that many calls; Canyon City gets more calls on mutual aid with us than they get on their own. Rob Batten stated there would not be any need for more apparatus to take over Canyon City.

Mayor Lundbom stated he was talking more about the money. He said he spoke with Canyon City's Fire Chief Matt Turner and was told a completely different story than what he was told why Canyon City didn't want to join the City and the Rural. Mayor Lundbom stated Matt stated that there would be three taxing districts and there was no way to merge those three.

Fire Chief Smith stated ESCI did a feasibility study for the three districts, the City of John Day, John Day Rural Fire Protection District and the Town of Canyon City. At that time it was because the way Measure 47/50 locked in the millage rates and it's really difficult to change that; short of forming one brand new district. If we formed a separate district, we would have to pull pieces out of the City budgets and with compression it wouldn't give any opportunity to add what's currently the rural district's assessment rate on top of the cities; we would have to take away from the cities. City Manager Gray stated it would cost Canyon City more if we formed the separate taxing district.

Rob Batten stated we all came to the conclusion that the best way to go and keep things as smoothly as we could was to just go with the two districts because of the taxing issues. Fire Chief Smith stated he could see Canyon City contracting with us if they wanted to in the future with X amount of dollars per year rather than forming a separate single taxing district.

Councilor Smith questioned the joint bond measure as being messy. Rob Batten stated the joint bond measure between the City and the Rural will impose the same rate for both taxing districts equally on a per thousand basis – City and Rural. Fire Chief Smith stated there was a lot of talk about the Rural using the station for free and why should the City people pay more than the Rural people. There was a lot of assumption that the City was picking everything up and the Rural was not paying their fair share. By having it on an equal per thousand basis, it's equal no matter where you live and should eliminate that rumor. As long as we can let people know that both entities have an equal share in the cost.

Mayor Lundbom asked if the Council had any more questions or needed further discussion; there was none presented. Stan Foster stated he would really appreciate a vote of the Council if the Council was prepared to make a decision tonight.

Mayor Lundbom asked for a motion of the Council. **Councilor Gochnour moved that the City of John Day move forward with a joint bond measure with the John Day Rural Fire Protection District in the amount of \$1,200,000 for the November 2013 general election. Councilor Don Caldwell seconded the motion, the motion passed unanimously.**

Fire Chief Ron Smith thanked everyone, the City Council, the John Day Rural Fire Protection District, the Citizen's Advisory Committee for their hard work. This has been a long time coming, way before his time and it's long overdue. We really need the new fire station and I think we're on the right track to get the bond measure passed. Fire Chief Smith stated he enjoys doing what he does and this will make everybody's life easier if the bond passes and he appreciates everyone's effort

Agenda Item No. 5 – Review for approval the Educational Tab for the New John Day Fire Station

City Manager Gray presented the PDFs of the 4-page tab to the City Council. She stated the tab has been proofed and looked over many times by the Advisory Committee. She asked that the Council please review it and let her know if something needed to be changed, added etc. as it was going to press that next day.

City Manager Gray stated we are going to order 5,000 copies; 3,000 of them will be inserted into the April 24, 2013 edition of the Blue Mountain Eagle. The rest of copies will be used for direct mailings, open houses etc.

City Manager Gray showed the Council a copy of the Percolator and stated the Citizen's Advisory Committee would like to use the same type of paper that the Percolator is printed on which is called Hi-Brite instead of regular newsprint. The Committee would like full color, the cost for 5,000 copies with the Hi-Brite paper and full color is \$1,150; the regular newsprint was \$1,074, a difference to use the Hi-Brite versus newsprint is \$76.00. She suggested going with the Hi-Brite.

City Manager Gray stated it is a difference of \$176 for full color versus having color only on the front and the back pages. She suggested going with the full color. Councilor Doug Gochnour reminded the Council that the cost will be half as we are splitting the cost 50-50 between the City and the John Day Rural Fire Protection District.

City Manager Gray also stated the 4-page tab will be the same size of the Percolator insert not the 8 ½ x 11 PDFs that they were reviewing tonight.

Councilor Paul Smith asked who did the flyer. City Manager Gray stated the Citizen's Fire Advisory Committee worked on the tab, Eloise Boren of ER Graphics of Dayville designed it and put it together for us. Grant County Economic Developer Sally Bartlett wrote the article, Fire Chief Ron Smith contributed some of the pictures, Eloise Boren took most of them, most everyone on the Advisory Committee solicited the letters of support from the community, Fire Chief Ron Smith did the Q & A questions with Eloise and Sally cleaning them up, and PARC Resources did the graphics for us and the Blue Mountain Eagle will do the printing. It was a great collaboration

Councilor Paul Smith asked about the cost for the preparation of the flyer. City Manager Gray stated she quoted between \$175 - \$200 depending on how many corrections that needed to be made; that cost is in addition to the \$1,150 printing costs by the Blue Mountain Eagle and will also be shared by the Rural Fire District. City Manager Gray stated the cost will come out of the Fire Department's budget under the engineering/architect line item.

Councilor Paul Smith questioned hitting the media blitz early in the spring and if we are going to hit it again as it gets closer to the November election. Rob Batten stated this is just one of the many things that we are going to do, he spoke about Dean Elliott's letter that he wrote and wanted to include it in the flyer; however, it was too long. So we are going to print several letters out and have them available at the open houses and slip them into the flyers. The Fire Chief is going to be on Coffee Time and it's going to be a continuous effort at every angle that we can, knocking on doors, and fundraising.

Councilor Donn Willey encourages everyone to be prepared to answer questions of the public and be able to break down the numbers so that they make sense to everyone.

Mayor Lundbom has concerns with explaining the bond measure going from \$.27/1,000 to \$.355/1,000. Rob Batten stated the main reason was going from \$1,000,000 bond to \$1,200,000 bond. Mr. Batten

stated the biggest concern of the Citizen's Advisory Committee was putting too much dependence on getting grants down the road. The bond is \$1.2 million with about \$400,000 in grants. Fire Chief Smith stated if the grant world opened up, it might go to \$800,000, but rather than hope for that and have that not happen; we thought it was more prudent to go on the high side and if we receive more grants we will lower the bond.

Councilor Paul Smith asked what if the grants do not come through. City Manager Gray stated that if we run short on funds, Stan Foster stated he would go back to the funders to ask for more money. She also stated we will continue to fund raise until the punch list is completed on the fire station.

Fire Chief Smith stated if we can't raise the money, then we will have community work parties, do some of the interior painting etc. Do what we have to do to get it done. He stated the Citizen's Advisory Committee had some very heated discussions on reducing the number of bays etc. He stated at this point he feels we need to pursue the six bays because it would never get added on down the road and it's cheaper to do it now rather than later. Fire Chief Smith stated he thought the Committee did an excellent job with a lot of discussion about the need and everyone asked enough questions that he thought the group has enough information and made a good decision about the amount of the bond measure. Councilor Paul Smith stated it really is a public safety issue. Further discussion on the ISO rating with Fire Chief Smith stating the ISO rating will affect everyone, private business would get hit the hardest if their ISO rating went from an ISO rating of 4 to an ISO rating of 6.

Councilor Donn Willey made a motion to approve the insert developed by the Citizen's Fire Advisory Committee for the promotion of the new fire station. Councilor Don Caldwell seconded the motion, the motion passed unanimously.

Agenda Item No. 6 – Other Business and Upcoming Meetings

1. A letter from Mr. Bill Davis was included in the council binders. Mayor Lundbom stated Councilor Paul Smith requested a discussion of the council regarding the letter. After much discussion the Council decided to take no action on the letter.
2. LOC Bulletins were presented to the City Council for their information and review.
3. Newsletters from Representative Cliff Bentz were included in the council packet.
4. City Manager Gray stated the City of John Day will host a LOC Small Cities meeting on April 24, 2013 from 11:00 a.m. to 1:00 p.m. She invited the council to please attend.
5. Mayor Lundbom reminded the City Council that their SEI form is due back to the Oregon Ethics Commission by April 15, 2013.
6. The March 2013 Statement of Revenue and Expenditure Budget to Actual Reports were given to the City Council.

Adjourn

There being no further business before the Council, Councilor Don Caldwell made a motion to adjourn the meeting. Councilor Donn Willey seconded the motion and the motion passed unanimously. The meeting was adjourned at 8:05 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, APRIL 23, 2013.

Mayor Ron Lundbom