

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

**June 25, 2013**

**Adjourned Meeting**

**COUNCILORS PRESENT:**

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

**COUNCILORS ABSENT:**

**STAFF PRESENT:**

Peggy Gray, City Manager  
Rich Tirico, Police Chief  
Valerie Luttrell, Dispatch Manager  
David Holland, Public Works Director

**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 June 11, 2013**

The minutes of the June 11, 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 June 11, 2013 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. Police Chief Rich Tirico requested that a thank you letter from Ben Ward regarding the Dean Porter parole reversal be read to the City Council. Mayor Lundbom stated he would read the letter at the end of the council agenda.

**Agenda Item No. 4 – Discuss for Adoption Resolution No. 13-705-09, a Resolution to Adopt Fiscal Year 2013-2014 Budget**

Mayor Lundbom introduced Resolution No. 13-705-09, a resolution to adopt fiscal year 2013-2014 budget. City Manager Gray stated this resolution adopts the budget as approved by the John Day Budget Committee in the amount of \$5,823,019.

**Councilor Doug Gochnour moved to adopt Resolution No. 13-705-09. Councilor Donn Willey seconded the motion, the motion passed unanimously.**

**Agenda Item No. 5 – Discuss for Adoption Resolution No. 13-706-10, a Resolution to Appropriate Fiscal year 2013-2014 Budget**

Mayor Lundbom introduced Resolution No. 13-706-10, a resolution to appropriate fiscal year 2013-2014 budget. City Manager Gray stated this resolution appropriates the budget by funds and we cannot exceed those appropriations.

Councilor Steve Schuette questioned the inclusion of the new fire station in the budget. City Manager Gray stated the budget includes the new fire station; if the ballot measure does not pass the funds will not be expended.

**Councilor Schuette moved to adopt Resolution No. 13-706-10. Councilor Don Caldwell seconded the motion, the motion passed unanimously.**

**Agenda Item No. 6 – Discuss for Adoption Resolution No. 13-707-11, a Resolution to Impose and Categorize Taxes for Fiscal year 2013-2014 Budget**

Mayor Lundbom introduced Resolution No. 13-707-11, a resolution to impose and categorize taxes for fiscal year 2013-2014 budget. City Manager Gray stated this resolution imposes the taxes provided for in the adopted budget at the rate of \$2.9915 per \$1,000 of the assessed value for operations; and that these taxes are imposed and categorized for the tax year 2013-2014 upon the assessed value of all taxable property within the City of John Day. This resolution must be filed with the Grant County Clerk and the County Assessor by July 15, 2013 in order for the City of John Day to receive property taxes.

**Councilor Donn Willey moved to adopt Resolution No. 13-707-11. Councilor Doug Gochnour seconded the motion, the motion passed unanimously.**

**Agenda Item No. 7 – Discuss for Adoption Resolution No. 13-708-12, Volunteer Worker's Compensation Resolution for Coverage Year 2013-2014**

Mayor Lundbom introduced Resolution No. 13-708-12, Volunteer Worker's Compensation Resolution for Coverage Year 2013-2014. City Manager Gray stated this resolution is required annually by City County Insurance Company (CIS) for workers' compensation coverage to provide for our John Day Volunteer Fire Department volunteers and our John Day Police Department reserve officer volunteers. The resolution assumes a monthly wage of \$1,000 to be used for public safety volunteers.

**Councilor Donn Willey moved to adopt Resolution No. 13-708-12. Councilor Steve Schuette seconded the motion, the motion passed unanimously.**

**Agenda Item No. 8 – Discuss for Signature Dispatch Contract Agreements with Grant County Sheriff's Office and Grant County Ambulance for FY 2014**

Mayor Lundbom introduced the Dispatch Contract Agreements with the Grant County Sheriff's Office and Grant County Ambulance for FY 2014 for the Council's consideration. City Manager Gray stated these are the two contracts the City provides dispatch services for, one with the Sheriff's Office and the other with the Blue Mountain Hospital. The dispatch fees were increased by 10% this budget year because of stagnant 9-1-1 revenues. Letters regarding the fee increase were sent to the two parties during the budget process with the City receiving no comments from either party.

**Councilor Steve Schuette moved to allow Mayor Lundbom to sign the dispatch contracts for the Grant County Sheriff's Office and the Grant County Ambulance for FY 2014. Councilor Gene Officer seconded the motion, the motion passed unanimously.**

**Agenda Item No. 9 – Discuss for Signature the Second Extension to Professional Services Agreement Between the City of John Day and Oster Professional Group**

City Manager Gray stated the City entered into an agreement with Oster Professional Group to perform the duties of the City Recorder's position in November 2010. The City has since renewed the agreement for one year to expire June 30, 2013. The agreement allows for one or more additional terms of one year each upon the parties' mutual written agreement.

City Manager Gray informed the council that Oster Professional Group has not asked for an increase in the contract amount since we signed the original agreement. The contract amount is \$3,500 per month and the one-year extension will be on the same terms and conditions contained in the original agreement provided that the compensation payable to Oster does not exceed \$42,000.

City Manager Gray reminded the Council that this contract saves the City approximately \$20,000 per year by not having to pay employee benefits (such as insurance and retirement costs). Councilor Steve Schuette also added that they do a great job; City Manager Gray agreed.

**Councilor Donn Willey moved to allow the City Manager Gray to sign the Second Extension to Professional Services Agreement between the City of John Day and Oster Professional Group. Councilor Doug Gochnour seconded the motion, the motion passed unanimously.**

**Agenda Item No. 10 – Discuss for Signature Resolution No. 13-709-13, a Resolution to Declare Accounts Uncollectible and Take Off Books as Receivable**

City Manager Gray explained that this Resolution is for the apartments located at 346 W. Main Street/107 and 110 Delore Street, John Day. The property owner declared bankruptcy in January 2012. However, he still had tenants living there using city water and sewer. The property owner charges the utilities in the tenant's monthly rent payments and the owner then pays for the utilities to the City. The property owner informed the City that some of the renters were paying their rent, but the bank won't let him cash the rent checks because he was in bankruptcy, as such, he couldn't afford to pay the City's utility bills.

City Manager Gray called the League of Oregon Cities for guidance on how to deal with the situation. I spoke with LOC Legal Counsel Sean O'Day. Sean said special rules under bankruptcy law apply when a delinquent utility customer is in bankruptcy proceedings. The Bankruptcy Code provides that a municipal

utility cannot alter, refuse, or discontinue service because of a bankruptcy filing or because of an unpaid pre-bankruptcy petition utility bill.

He also said that ORS 223.594 - Lien for water service to certain real property through single water meter; owner as water user; foreclosure states (1) when water service is provided to a multifamily building with five or more units with a single water meter, the owner of the real property shall be considered the user of the water. If payment for such water is not made when due and the water service has not been shut off or will not be shut off, the municipal utility may place a lien on the premises to which water service was provided for the amount due for such service.

The problem with the city placing a lien on the property was that our City Code at that time did not allow us to place a lien on the premises. As you know the John Day City Council has since updated our municipal code to address issues such as this.

The property has now sold and a new owner has taken possession of the property as of May 2, 2013. City Manager Gray stated we now would like to declare these accounts as uncollectible and take off the books as a receivable by the end of the fiscal year.

**Councilor Donn Willey moved to adopt Resolution No. 13-709-13. Councilor Don Caldwell seconded the motion the motion passed 6 – 1.**

**Agenda Item No. 11 – Discuss for Signature Amendment Number 01 to Local Agency Agreement No. 28231; US26/Main St. & Canyon Blvd: Sidewalk/Beautification Project**

City Manager Gray explained this is an amendment to our agreement with ODOT for the Transportation Enhancement (TE) project for the downtown sidewalk/beautification project. ODOT has determined that they need to update the language in the agreement regarding the following two issues:

1. Reassigns a new Project Leader to our project. Formerly our Project Leader was Doug Wright out of the La Grande office. Doug has accepted a position with Union County and is no longer with ODOT. Sean Maloney out of the Ontario office is now the Project Leader for our TE project.
2. Adds language that the City of John Day will be responsible for all costs associated with maintenance of the sidewalks, curbs, drain system, pavers, landscaping, conduits, street lights, and all other items constructed or installed as part of this project. The City will also be responsible for power cost of the street lights.

City Manager Gray stated the City has always been responsible for the maintenance of any ODOT projects and we even included the language in our grant application that the City would be responsible for the maintenance of the project once it was completed.

**Councilor Doug Gochnour moved to allow Mayor Lundbom to sign Amendment No. 01 to the Local Agency Agreement No. 28231. Councilor Donn Willey seconded the motion, the motion passed unanimously.**

At this time Mayor Lundbom read a letter sent to the Oregon Association of Chiefs of Police (OACP) from Ben Ward regarding the process that led to the reversal of the Porter parole decision. Ben is the brother of Frank Ward, who was murdered by Sydney Dean Porter. Police Chief Tirico stated he would keep the Council informed regarding the rehearing in September 2013.

**Agenda Item No. 12 – Discuss Canceling the July 9, 2013 John Day Council Meeting**

City Manager Gray stated she would be out of town for the July 9, 2013 regular city council meeting and asked the City Council if there are no pressing agenda items, would the council consider canceling the July 9, 2013 city council meeting.

It was the consensus of the City Council to cancel the July 9, 2013 council meeting.

**Agenda Item No. 13– Other Business and Upcoming Meetings**

1. City Manager Gray and Public Works Director David Holland updated the City Council on the Dangerous Building located at 405 SE Hillcrest Road. Public Work Director David Holland is working on figures for a minimum bid for the Request for Proposals to be sent out to local contractors after July 1, 2013.
2. City Manager Gray stated City Hall will be closed on Thursday, July 4, 2013 for the Fourth of July holiday.
3. Mayor Lundbom informed the Council that he had a nice visit from some tourists from New York who visited our local museums and fossil beds.

**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 7:30 p.m.**

Respectfully Submitted:

Peggy Gray  
City Manager

ACCEPTED BY THE CITY COUNCIL, JULY 23, 2013.

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Mayor Ron Lundbom