

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

July 23, 2013

Adjourned Meeting

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Gene Officer, Councilor
Don Caldwell, Councilor
Donn Willey, Councilor
Paul Smith, Councilor
Doug Gochnour, Councilor

COUNCILORS ABSENT:

Steve Schuette, Council President

STAFF PRESENT:

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

GUESTS PRESENT:

Anna Bass, Oster Professional Group
Sally Bartlett, Grant County Economic Development Coordinator
Jamie and Grant Benton, 679 West Main Street, John Day, OR

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 who was absent and excused.

Agenda Item No. 2 – Approval of City Council Minutes of June 25, 2013

The minutes of the June 25, 2013 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 June 25, 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 welcomed 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. Mayor Lundbom informed the City Council that City Attorney Jeremy Green developed Resolution No. 13-710-14, a resolution

submitting a bond measure to the legal voters of the City of John Day for approval and adopting a ballot title, the agenda item is to be discussed under Agenda Item No. 8; however, the resolution was not included in the agenda packet. Mayor Lundbom asked for a motion to add the resolution to agenda (Resolution No. 13-710-14 was sent via electronic message to the city council on Monday, July 22, 2013 for their review prior to the city council meeting).

Councilor Doug Gochnour moved to place Resolution No. 13-710-14 on the council agenda. Councilor Gene Officer seconded the motion, the motion passed unanimously.

Agenda Item No. 4 – Discuss for Recommendation Approval of OLCC Liquor License Application for Nugget Lanes

City Manager Gray introduced David and Jamie Benton, who have purchased Nugget Lanes, the local bowling alley, located at 679 West Main Street. They have applied for an OLCC Liquor License for limited on-premises sales (beer and wine only) at this location.

David Benton stated they have moved to John Day from Redmond, OR. They tried to get a bowling alley up and running in Redmond but ran into several obstacles. His wife has family here and they decided to buy the bowling alley that was for sale in John Day. Mr. Benton stated they want to keep it family oriented and were requesting only a limited on-premises sales liquor license for beer and wine only. They will have bowling leagues starting in September.

Councilor Don Caldwell moved to recommend to the OLCC that the liquor license be granted to Nugget Lanes. Councilor Donn Willey seconded the motion, the motion passed unanimously.

Agenda Item No. 5 – Discuss for Signature Consulting Agreement No. 2013-01 with D. George Chadwick, Jr. and the City of John Day

City Manager Gray stated George Chadwick is the City's consultant for our ongoing groundwater monitoring and reporting associated with the wastewater percolation ponds as required by DEQ. Last year Mr. Chadwick helped the City develop our TMDL (Total Maximum Daily Loads) Implementation Plan.

Last year the City paid Mr. Chadwick a total of \$1,680.38 for his services, usually that number is lower; however, last year his services included the development of the TMDL Implementation Plan. City Manager Gray explained Mr. Chadwick's services are very specialized, he is familiar with the operation of our treatment plant and we are very satisfied with his services.

The only major change in the contract besides the dates; is that Mr. Chadwick has requested a \$2.00 increase to his hourly rate.

Councilor Don Caldwell moved to allow Mayor Lundbom to sign Consulting Agreement No. 2013-01. Councilor Donn Willey seconded the motion, the motion passed unanimously.

Agenda Item No. 6 – Presentation of the Annual System Development Charge (SDC) Accounting Report by Anna Bass of Oster Professional Group

Mayor Lundbom introduced Anna Bass of Oster Professional Group. Ms. Bass prepared spreadsheets showing the individual totals for the water system and the sewer system, the spreadsheets were included in the council packet.

For the fiscal year 2013, the City of John Day collected \$184.10 in SDC charges for the water system and \$2,551.99 for the sewer system.

The water SDCs were distributed by 54% going to the water system reimbursement fund (\$99.41) and 46% going to the water system improvements fund (\$84.69).

The sewer SDCs were distributed by 20% going to the sewer system reimbursement fund (\$510.40) and 80% going to the sewer system improvements fund (\$2,041.59).

The total water system SDCs collected is \$17,525.98; total sewer system SDCs collected is \$27,639.75 for a total of \$45,165.73.

Ms. Bass informed the City Council that we had an expenditure which was for \$46.00 for a filing fee with the County Clerk for the recording of property lien for an individual who is making monthly payments for his sewer SDC.

Ms. Bass also informed the City Council that this year the City set up a separate money market account so that the SDC revenues go into an account completely separate from the general administration bank account in order to keep these funds totally separate from other city funds. She also explained that the interest earned from these dollars is split based on balances of the water and sewer SDC totals.

Mayor Lundbom questioned what this money could be used for. City Manager Gray explained this money can only be used for projects listed in the City's System Development Charge Plan. Included in the plan are lists for Water/Sewer System Reimbursement projects and for Water/Sewer Capital Improvement projects. Under the ORS, we can only use the SDC money for projects that are listed in our SDC Plan. She noted that other cities have gotten into trouble for using the money for other purposes. Councilor Gochnour noted that this money cannot be used for operation and maintenance.

There being no further questions, Mayor Lundbom thanked Ms. Bass for her presentation.

Agenda Item No. 7 – Discuss for Council consideration – Alternative Procedure for Sale of City Real Property under ORS 221.727

City Manager Gray informed the City Council that we learned a lot from the Enviro Board project. We also learned that following the State's procedure for the Sale of City Real Property under ORS 221.725 was expensive and time consuming; making the process that much more difficult.

City Attorney Jeremy Green recommends that the John Day City Council consider adopting, after public notice and hearing, a procedure for the sale of individual parcels of a class of city-owned real properties (such as our industrial park), under a single program established within the city for the sale of that class of properties as allowed under ORS 221.727. The city may thereafter sell any parcel under that adopted procedure in lieu of the procedure under ORS 221.725 (Sale of city real property).

City Attorney Jeremy Green would work closely with staff and the City Council to develop a procedure that supplements the requirements of Oregon law in the sale of city owned real property.

City Manager Gray stated she did some research on the League of Oregon Cities website and found where other cities have adopted an alternative procedure for the sale of real property but she couldn't find any specific to an industrial park. She introduced Grant County Economic Development Coordinator Sally Bartlett, who had also done some research on this subject.

Ms. Bartlett stated she found several cities within the State of Oregon that have adopted alternative procedures for the sale of city real property under ORS 221.727 and thought it was a good idea for the City Council to also consider this method. She brought examples of city codes that she had found from Bend, Pendleton, Brookings and Wilsonville. Cities are using the alternative procedure for various reasons such as ROW sales, surplus property and housing projects because cities have found out that it cost too much time, money and staff to follow ORS 221.725 and ORS 221.727 allows for the alternative procedure.

Ms. Bartlett stated this procedure would not negate the idea that you have to do your due diligence; the city would still do their due diligence for each sale of real property. The purpose of this procedure is to develop the steps the City needs to take to sell the industrial park property; it's an alternative procedure for the City to follow to save staff time and money. Ms. Bartlett stated the Wilsonville ordinance specifically stated the alternative procedure adopted under ORS 221.727 would save the City time and money by allowing City staff to sell city real property through a simplified process.

After much discussion it was the consensus of the City Council to allow City Manager Gray to work with City Attorney Jeremy Green to develop an Alternative Procedure for Sale of City Real Property under ORS 221.727 and bring a draft procedure back to the City Council.

Agenda Item No. 8 – Discuss Placing the Notice of Measure Election for John Day Fire Department Fire Station General Obligation Bond Authorization on the November 2013 General Election

City Manager Gray stated the draft ballot title written by the City's consultant Stan Foster of PARC Resources was included in the agenda packet. City Attorney Jeremy Green reviewed the ballot title and made some minor revisions, basically just to make the wording flow better. Mr. Foster of PARC Resources approved the revisions as well as Fire Chief Ron Smith and Rural Fire District Board Chair Rob Batten. The revised ballot title was electronically mailed to the City Council on July 22, 2013 for their review prior to the meeting.

City Manager Gray presented the council a Notice of Filing of Ballot Title prepared by City Attorney Jeremy Green. After the governing body approves the ballot title, the city elections official publishes notice of receipt of ballot title in the next available edition of a newspaper of general circulation in the city. In addition, the notice may also be published on the city's web site for a minimum of seven days. The notice must be published prior to the deadline to file a petition to review the ballot title. The Notice of Filing of Ballot Title was electronically mailed to the City Council on July 22, 2013 for their review prior to the meeting.

The Council voted to add Resolution No. 13-710-14, a Resolution submitting a bond measure to the legal voters of the City of John Day for approval and adopting a ballot title to the council agenda at the beginning of the meeting. At the time of the agenda, City Manager Gray stated she wasn't aware that the City Council needed to adopt a resolution for approval and adoption of a ballot title. The reason was that when the City placed the Transportation Utility Fee (TUF) ballot measure on the ballot, Bob Lovlien,

Jeremy's former associate with his firm, stated the City didn't need to adopt a resolution because the State statutes were clear that the cities have the authority to place measures on primary and general elections. However, Jeremy stated the City Council needs to adopt a resolution and prepared Resolution No. 13-710-14 for the council's consideration. Resolution No. 13-710-14 was electronically mailed to the City Council on July 22, 2013 for their review prior to the meeting.

City Manager Gray stated the ballot title question is as follows:

Shall the City of John Day and John Day Rural Fire Protection District issue general obligation bonds not exceeding \$1,200,000.

The ballot title to appear on the ballot is as follows:

John Day Fire Department Fire Station General Obligation Bond Authorization

City Manager Gray stated the bond would pay only for constructing the new fire station and would expire upon maturity in 20 years or less. If approved, this measure would increase annual property taxes by approximately 0.355 per \$1,000 of assessed value until maturity.

Councilor Doug Gochnour and Councilor Donn Willey had concerns that the ballot title doesn't inform the taxpayer that the \$0.355 per \$1,000 of assessed value would be an annual tax payment. Councilor Doug Gochnour suggested placing the word "annual" in the third paragraph under the summary to read as follows:

If approved, this measure would increase annual property taxes by approximately 0.355 per \$1,000 of assessed value until maturity.

Councilor Doug Gochnour also suggested to include an example of how much a \$100,000 house would cost the taxpayer per year. City Manager Gray informed the council that there is a 175 word limit on the ballot summary and the count is very close to the 175 word limit right now. If the Council wanted to do that we would have to delete some of the existing wording.

After discussion the Council decided it would be best to educate the public with a spreadsheet or a cheat sheet showing the amount that it would cost a taxpayer per year for a \$100,000 (\$35.50), \$200,000 (\$71.00) etc. assessed property value between now and the time of the November 5, 2013 election.

Councilor Don Caldwell moved to adopt Resolution No. 13-710-14 with potentially the word "annual" added before property taxes by approximately 0.355 per \$1,000 of assessed value until maturity. Councilor Doug Gochnour seconded the motion, the motion passed unanimously.

Agenda Item No. 9 – Other Business and Upcoming Meetings

1. City Manager Gray informed the City Council that the City and the Grant County Police Officers Association have agreed on a union contract. City Manager Gray stated she will place this topic for discussion under executive session and hopefully council's approval in regular session on the August 13, 2013 council agenda.
2. Mayor Lundbom and City Manager Gray updated the City Council on the LOC Small Cities Meeting held in Mt. Vernon on July 17, 2013. Mayor Lundbom informed the City Council that a

Mayor's meeting was held directly after the LOC meeting to discuss the County's proposal of giving the cities \$250,000 for one or two street projects, the cities agreeing on which city's project receives the money, going back to the Grant County Court for approval. It was the consensus of all of the Grant County cities attending that they wanted the County to divide the money, as they have done in the past, based on the individual city's population and road miles and that the money be used for city street operation and maintenance. The new Grant County Road master Sue Horn (who is also the Mayor of Mt. Vernon) was in attendance and will carry the City's message to the County Court on behalf of the cities of Grant County.

3. The July 12, 2013 LOC Bulletin was included in the council packets.
4. The City Council received an invitation from Land Conservation and Development Commission to attend a roundtable discussion in Burns, Oregon on July 25th and 26th.
5. Police Chief Rich Tirico informed the City Council that the Prineville Police Department has donated a 2005 Ford Expedition to the John Day Police Department. It has approximately 100,000 miles on it, fully equipped. It is silver in color and will only have to paint parts of it. This upgrades the Police Department's motor pool and Police Chief Tirico believes we are in good shape. Police Chief stated he hoped to have it on line by September.
6. City Manager Gray informed the City Council that she will be attending a Federal Funds and Right of Way training in La Grande with Public Works Director David Holland and Public Works Foreman Monte Legg on July 30th. She felt with the ODOT street project coming up this training would be very valuable as the project is funded by federal dollars.

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 8:00 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, AUGUST 13, 2013.

Mayor Ron Lundbom