

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

August 27, 2013

Adjourned Meeting

COUNCILORS PRESENT:

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

COUNCILORS ABSENT:

Don Caldwell, Councilor

STAFF PRESENT:

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

GUESTS PRESENT:

George Meredith, Mt. Vernon, OR
Priscilla Meredith, Mt. Vernon, OR
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 Don Caldwell, who was absent and excused.

Agenda Item No. 2 – Approval of City Council Minutes of August 13, 2013

The minutes of the August 13, 2013 adjourned meeting were included in the agenda packets and presented for the Council's approval. **Councilor Steve Schuette made a motion that the minutes of August 13, 2013 be approved as presented; Councilor Doug Gochnour 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. Mayor Lundbom asked the Council for a motion to place a letter from City Attorney Jeremy Green regarding a conflict of interest with the City of Prairie City on the agenda. **Councilor Steve Schuette moved to add**

the conflict of interest letter with the City of Prairie City from City Attorney Jeremy Green to the agenda. Councilor Donn Willey seconded the motion, the motion passed unanimously. Mayor Lundbom added the conflict letter after Agenda Item No. 5.

Agenda Item No. 4 – Employee Recognition Awards by Mayor Lundbom

At this time Mayor Lundbom presented awards to the John Day 9-1-1 Dispatchers Cammie Haney, Don Speakman, Kathie Maben, Angia Hannibal and Dispatch Manager Valerie Luttrell. Mayor Lundbom awarded Certificates of Appreciation to these dispatchers for their excellent work they did during the fires we had a few weeks ago.

Agenda Item No. 5 – Presentation from George Meredith, Mt. Vernon, owner of the Grouse Mountain Ranch regarding the proposed land sale and swap involving Grouse Mountain Ranch property in Grant County and some coastal lands

Mayor Lundbom introduced George Meredith; Mr. Meredith is currently in negotiations with Oregon State Parks and Recreation District (OPRD) in a proposed land sale and swap involving his Grouse Mountain Ranch property in Grant County and coastal lands.

Oregon State Parks and Recreation Department (OPRD) proposes to trade 280 acres of the 878-acre Bandon State Natural Area to Bandon Biota, a private company owned by the golf course developer Michael Keiser. Bandon Biota proposes to use part of the land to create a 27-hole walking links golf course.

In exchange, Bandon Biota would pay at least \$300,000 for control of the invasive plant gorse on nearby state park properties, transfer two land parcels near Bandon totaling 208 acres into the state park system, and pay as much as \$2.95 million to help purchase two other properties; oceanfront property in Lincoln County known as Whale Cove, and 6,003 acres from Grouse Mountain Ranch, north of Mt. Vernon, for a state park.

Mr. Meredith gave a brief background on how he obtained the property and informed the City Council that he and his wife Pricilla looked at a lot of property and fell in love with the Grouse Mountain Ranch property. The property had really good potential for restoration and a lot of diversity. The Meredith's have owned the property for 13 years and have put a lot of money and effort into restoration through active management. They've addressed the forest health; have thinned on most of it, developed riparian areas working with several different agencies.

Mr. Meredith stated it was never their intention to leave this land to their family; they have no family within the United States. Their main priority is wildlife habitation and restoration and researched several options for the future management of this land. After considering options such as the Nature Conservancy, Warm Springs Tribes, the County, Forest Service, the Meredith's came to the conclusion that their first choice was OPRD because of their track record of effective and efficient property land management and good stewardship. Mr. Meredith stated OPRD are good professional land managers; they have a good mission statement and are enthusiastic about taking the property over and turning it into a state park.

A map identifying the location of the land was presented by Mr. Meredith. The elevation of the land ranges from the 3,000 foot level up to the 5,000 foot level and has good potential for outdoor recreation such as hiking, horseback riding, and backpacking, campsites, bike and hiking trails.

Mr. Meredith stated Grant County will gain an asset to attract visitors and would be an economic benefit for the county. The potential park would create 3-5 full time employees; Mr. Meredith conservatively estimated that OPRD would put at least \$200,000 per year into developing the state park.

Issue of tax revenue was discussed because currently the property is private land. The property would roll over into a tax exempt status if OPRD took it over. Mr. Meredith clarified for the council that he pays \$6,000 per year for the property taxes on their land; they pay \$12,000 per year for the tax on their house. This discussion is related to their land. Mr. Meredith estimates that the annual expenditure by the state park service will be 20 to 30 times that. Mr. Meredith informed the council that the publicly owned parks located within the county employ over 100 full or part-time employees. The official record of number of visits made to publicly owned parks within the county are well over 300,000 per year. The economic contribution is considered to be well in excess of \$5 million per year. This park would not duplicate activities of the other county parks; Mr. Meredith stated it would be a significant addition to the county and felt this is a win-win-win opportunity. They will have the opportunity to realize their goal to envision a wonderful natural resource area that will be managed for the benefit of wildlife and native ecosystems for the people who love and respect nature.

Mr. Meredith stated Grant County will gain an asset which will attract visitors and with their related economic activity, will provide a valuable resource for residents for a long time.

Councilor Gene Officer asked how much property he was going to keep; Mr. Meredith stated they haven't subdivided the property yet, but are considering keeping the house and 200 acres of the land.

Councilor Doug Gochnour asked Mr. Meredith what he was asking from the City Council. Mr. Meredith replied there has been a lot of communication about this property, articles in the paper etc. he wanted to have more people understand what is behind the project and what is really happening. He wanted to educate the City Council for when people came to talk to them about it, they would have the benefit of the Meredith's perspective. Mr. Meredith stated if you really wanted to help them and if you really think this is a good opportunity for the County, he suggested writing a letter from the City Council to the Oregon State Parks endorsing this project as a good economic opportunity for this County to express the council's support. Mr. Meredith noted that this is the public comment period for the project.

Mayor Ron Lundbom stated he has heard concerns about the trend of private property going to the Nature Conservancy, tribes, etc. and taking it off of the tax role. He stated the Meredith's property is in farm deferral and the taxes are low; however, he felt that it is the trend and it affects us, the taxpayers. He stated he also found out that when these properties go into a tax exempt status, they don't continue paying for fire protection, so the other property owner's fire protection rates go up. Mayor Lundbom stated they (ODF) will not lower their rates; they will just pass it onto other properties. Mr. Meredith stated right from the beginning OPRD told the County Court that they will work together with the County to make them whole on the tax question. Mr. Meredith also informed the Council that when someone stays at the Clyde Holliday Park, they have to pay to stay there and OPRD pays transient room tax on the revenue to the County.

Addressing the fire protection question; Mr. Meredith stated Oregon State Parks will take responsibility for the fire protection and that OPRD pays the Oregon fire assessment on all of their properties.

Mr. Meredith stated the Oregon State Parks Commission has the deciding role to approve or not approve this land transaction. Mayor Lundbom stated there is only one person on the Commission that is from eastern Oregon and that people in the Tri County are making decisions for the whole state. Mr. Meredith

stated that most of the people on the Commission have been out to see their property and said they are very enthusiastic.

Councilor Paul Smith questioned if there is a guarantee that OPRD will be able to maintain the park in future years; he stated that Mr. Meredith has done his homework and felt that as a land owner, he has every right to do with what he wanted to with the land but had mixed feelings and could see both sides.

Mr. Meredith responded saying that no one knows what the future holds; none of us knows whether we will have another economic crash or whether we're going to grow, there are no guarantees. In essence we have to make our judgment essentially on the basis of what we do know and what we think in the terms of the balancing of the probabilities and the risks – what is the most likely outcome. He stated they are confident that Oregon State Parks was the best choice to manage the land for future years and hopefully decades.

Councilors Don Willey and Steve Schuette thought if the tax and fire issues are worked out, they felt it was a win-win.

Mayor Lundbom thanked Mr. and Mrs. Meredith for an excellent presentation and stated he did learn something tonight.

Agenda Item No. 6 – Discuss for signature City Attorney Jeremy Green's Conflict of Interest Letter for contract services between the City of John Day and the City of Prairie City

This agenda item was added by a motion of the city council at the beginning of the council meeting. Mayor Lundbom presented a letter from City Attorney Jeremy Green to the John Day City Council. The letter states that City Attorney Jeremy Green will represent the City of John Day in the contract negotiations between the City of John Day and the City of Prairie City.

Councilor Donn Willey moved to allow City Manager Gray to sign the Conflict of Interest letter with Prairie City from City Attorney Jeremy Green. Councilor Steve Schuette seconded the motion, the motion passed unanimously.

Agenda Item No. 7 – Discuss Recommendation from Bond Counsel and City Attorney Jeremy Green regarding Fire Station Ballot Title

City Manager Gray presented an electronic message from Bond Counsel Attorney Michael Schrader to the City Council. In discussions with the bond counsel attorney we found out that we cannot do a joint ballot title with the Rural Fire District. The City and the District will each need to approve and adopt separate Ballot Titles for their respective shares of the project costs, as there will be one levy assessed on property with the boundaries of the City and a separate levy assessed on the property within the boundaries of the District.

As of last night, City Manager Gray stated we believed we would be able to make the September 5th deadline to be on the November ballot; however, as of noon today I was informed that we could not make the November ballot due to election law requirements. Mr. Schrader called the Secretary of State and was informed that we could not make the deadline as per ORS requirements.

Councilor Schuette questioned the two ballot titles if we go out in May 2014; what if one passed and the other failed? City Manager Gray stated the two ballot titles would have to be contingent upon both passing and that it would have to be worded that way in the ballot titles. She asked City Attorney Jeremy

Green and he stated he had language to accomplish this. She noted that the City of Dundee just went through this same process to build a \$3.8 million dollar fire station. Both the City and the Rural District's ballots were approved by a 58% margin.

Councilor Schuette stated it is very unfortunate that we can't have it on the November ballot due to timing issues. He asked how the bond would be divided between the two districts. City Manager Gray stated the total amount of the bond amount will remain the same; however, it will be figured based on the assessed values of each district at \$0.355 per thousand. However, she noted that the assessed value of the Rural District is lower than the assessed value of the City. This doesn't mean that the citizens of the Rural District are paying less, they will still be paying \$0.355 per thousand; it is just that their assessed value is less. She figured the bond for the City would be \$660,000 and the Rural's bond would be \$540,000 based on the current assessed values. However, the assessed values could go up or down based on what the County Assessor calculates for the tax year.

Councilor Paul Smith stated the entire project is estimated at \$1.8 million; we're asking for \$1.2 million from the taxpayers. Are we confident we can get the rest of the money from grants; Mayor Lundbom stated while we're not happy with the outcome of the ballot title for the November election, we need to keep PARC's support for the \$600,000 in grants. We need to have more communication with Stan Foster. Fire Chief Ron Smith stated if we don't get the \$600,000 in grants, we would have to re-evaluate what we could do with the \$1.2 million if the voters pass the bond measure in May 2014. He felt that the gifted money will still be there; the funders were waiting to see if we had the public buy in. Now that the timeline has been kicked into May 2014, who knows what "the world of giving away money" will be in May.

Fire Chief Smith stated in his opinion our expectation of Stan Foster (PARC Resources) was severely hampered because we thought he was the guy in the know of all this. Councilor Paul Smith stated because of the legalities, the City is just going to have to be on top of it regardless of who we are working with.

Councilor Paul Smith asked about a press release stating why we have to wait until the May 2014 ballot. City Manager Gray stated she is working with City Attorney Jeremy Green on a press release.

City Manager Gray stated she would pull the joint ballot title she submitted for the November 5th election and we will shoot for the May 2014 election. She noted she will send a press release to the paper and radio KJDY. It was the consensus of the Council to work closely with Grant County Assessor Lane Burton to make sure we all are on the same page for the May 2014 election.

Agenda Item No. 8 – Report on the recent fires threatening the City of John Day by John Day Fire Chief Ron Smith

Fire Chief Ron Smith updated the City Council in regards to the recent fires that threatened the City of John Day. The first fire was the Davis Creek Fire which started on July 21st at 1:30 in the afternoon. It was north of town on Patterson Bridge Road, reported at 3 acres and growing. It totaled at 503 acres, no structural losses and ending up being an ODF fire but the fire was bumped up against the Rural's boundaries. Most firefighters were released at approximately 8 p.m.; about 9 ½ hours on the fires, total of 19 people on the fire; 164 man hours. The cause of the fire was from a slash burn that was done the previous fall/winter that reignited and took off.

The Marysville Fire started on August 7th at approximately 3:00 p.m. Fire Chief Smith stated that after the Davis Creek Fire, they did an "after action review" based on the recommendations of the Forest

Service. They sat down with all the players of the fire and came up with a list of things that they could do to make things better. The next day the Marysville Fire broke out. Lost two outbuildings on Ferguson Road; 268 total man hours; crews were released around midnight. The fire was lightning caused.

During that time Fire Chief Smith contacted the State Fire Marshal's office, who showed up a couple of hours later and started talking about the conflagration because they weren't sure of what was going to happen. They started a preliminary check list to invoke a conflagration response.

They (Fire Chief Smith, ODF and Forest Service) were talking about initiating a unified command when they saw another lightning strike on the hill over the Davis Creek Fire. Three minutes later there was a plume coming up; however; they had no resources to throw to it at that time and they all agreed to stay on the Marysville Fire because the structures were their priority.

That afternoon the fire behind Davis Creek continued to grow, Mt. Vernon did some work on it on the hills on their district. The fire was big enough to out run them and came into town. It made a run to a couple of structures and came over the hill on the east end of town. They set up structural protection and started to get resources in from John Day, Canyon City, Mt. Vernon, Dayville, Monument Rural, Prairie City, Long Creek, every resource in the County was here. The Sheriff's Office, John Day Police Department, John Day Dispatch, everyone did an excellent job. The County Fair was right in the middle of the whole thing. Dispatch was a lifesaver for him. Conflagration talks continued with teleconferences and started looking at resources. They called back two hours later and asked if we still needed the resources. At midnight it was still looking bad and it was our third day going into this thing; and with Fire Chief Ron Smith only having three hours sleep, he told them to go ahead and start us up with the conflagration team. Shortly thereafter by 2:30 a.m. we had the first task force team come in from Baker/Union County. The next day we had the overhead team from the State and a split task force from Wasco/Hood River counties and the third task force team came from Yamhill County.

Fire Chief Ron Smith staged them at the 7th Street Complex parking lot. We had 15 pieces of apparatus not counting command vehicles. Fire Chief Smith sent his folks home after 2 a.m. to get some sleep and turned the fire over to the conflagration team for protection. Fire Chief Smith stated 30 minutes after he activated the conflagration, the rains hit and laid the light fuels down. He had to decide whether to cancel the conflagration or let them come; they were already rolling and with the wind situation; he decided to just let them come. Fire Chief Smith stated at least we know the system works.

Fire Chief Smith stated he heard a lot of comments that the rains came in and put the fire out for you. Fire Chief Smith stated the fire was far from being put out. The light fuels may have gone out, but the heavy fuel came back up the next day when the humidity rose up again and he doesn't regret making that call.

Fire Chief Smith said in hindsight everything worked well, next time there are some things I will do a little different. Operationally, he said he need to detach himself back a little and set up and do a little bit more control and have a check in point. We were getting resources that he didn't know we had, while Fire Chief Smith appreciated the help, it created a safety issue. He has to know where the people are, who we have, make sure they had radio communication, fire clothing and basic fire training. It got out of control with people wanting to help. He understood that, but wished he would have set up a staging area and forced all the people to go there; then he could have recorded all the people who wanted to help.

Fire Chief Smith stated the interface between the City, the State and the Feds was awesome; he had no complaints at all. For all the fires, we had 753 man hours out of 71 personnel. He said you could probably add about 100 hours as it was hard to keep track of the personnel.

Councilor Doug Gochmour asked if the state pays for all the retardant. Fire Chief Smith stated the State made the decision to drop the retardant; the conflagration is state funded; all the departments who responded will receive \$15/hour for their time and apparatus is paid at an hourly rate. The only department who isn't reimbursed at all is the hosting party – which would be us. Fire Chief Smith stated a reimbursement for us from FEMA was discussed but he hadn't heard anything further.

Fire Chief Smith stated the main thing is that we only lost two outbuildings; he had approximately 140 structures down Hillcrest and South Canyon. If we would have gotten three or four houses going at once, those spots would have carried over. In the big picture we could have lost the town, in reality we were never close to losing the town, but it felt like it to a lot of people.

Fire Chief Smith stated he would get letters to the other cities thanking them. Councilor Paul Smith thanked Fire Chief Smith and Chief Tirico for all their hard work and coordination. Councilor Steve Schuette stated we recognized our Dispatch Center; I think we need to recognize our firefighters and the John Day Police Department also.

Mayor Lundbom suggested having a community potluck for fire fighters; it was the consensus of the City Council to schedule a community potluck for our volunteer firefighters. City Manager Gray stated her and Fire Chief Smith will get together to schedule a date and time for the potluck.

Fire Chief Ron Smith thanked the Blue Mountain Eagle for their editorial on the fires; he thought editor Scotta Callister knocked it out of the park. Councilor Paul Smith thanked Phil Gray of KJDY for their coverage. He said everyone had a radio on and it was a great resource for getting the word out to people especially regarding the pre-evacuation notice.

Mayor Lundbom thanked all the department heads for a job well done and Fire Chief Ron Smith for a good report.

Agenda Item No. 9 – Other Business and Upcoming Meetings

1. The August 9, 2013 and August 16, 2013 LOC Bulletins were included in the council packets.
2. The July 2013 Statement of Revenue and Expenditure Budget to Actual Reports were given to the City Council.
3. City Manager Gray stated back in November 2012, the City applied for an Enhanced Project titled US Highway 395 Sidewalk/Bicycle Lane improvements Project. The project application was for sidewalks, increased bicycle lanes and parking lanes from SW 2nd Ave. to the GUHS Junior-Senior High School. The project made the 100% list; however, the project was reduced from the original scope beginning at SW 2nd Ave., to the project beginning at SW 6th Ave. to the Junior-Senior High School. Reduced project cost is \$753,705 from the original funding request of \$901,518.

The project recommendation list will be presented to the full NEACT-SEACT group for approval on September 19, 2013 in John Day. Once the project list is approved; it will then go before the OTC (Oregon Transportation Commission) for final approval.

Councilor Schuette asked why the project was reduced. City Manager Gray stated ODOT received over \$34 million in project applications and had only \$15 million of grant funds to

distribute. Also when they scoped our project it was approximately \$200,000 more than what we had requested; mainly due to environmental issues regarding fish in Canyon Creek, a retaining wall and some storm drainage which we had not anticipated. The City of John Day did not have the funds to match the extra \$200,000. City Manager Gray informed the City Council that the section from SW 2nd Ave. to SW 6th Ave. was added to the “needs list” for future projects.

4. Mayor Lundbom reminded the Council that Cycle Oregon will be arriving September 7th. He has been asked to give a welcome speech.
5. Mayor Lundbom informed the City Council they were invited to an open house tomorrow night at the 1188 Brewing Company, 6 p.m. – 9 p.m.

Adjourn

There being no further business before the Council, Councilor Doug Gochnour made a motion to adjourn the meeting. Councilor Donn Willey seconded the motion and the motion passed unanimously. The meeting was adjourned at 8:56 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, SEPTEMBER 24, 2013.

Mayor Ron Lundbom