

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

January 28, 2014

Adjourned Meeting

COUNCILORS PRESENT:

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

COUNCILORS ABSENT:

Doug Gochnour, Councilor

STAFF PRESENT:

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

GUESTS PRESENT:

Chris Labhart, John Day
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 Doug Gochnour who was absent and excused.

Agenda Item No. 2 – Approval of City Council Minutes of January 14, 2014

The minutes of the January 14, 2014 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 January 14, 2014 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. Chris Labhart stated he would like to speak to the Council about road funds. Mayor Lundbom added him to the agenda.

Agenda Item No. 4 – Discuss for Signature Intergovernmental Agreement for Law Enforcement Services

City Manager Gray presented a revised Intergovernmental Agreement for Law Enforcement Services between Prairie City and the City of John Day to the John Day City Council. Police Chief Richard Gray, Dispatch Manager Valerie Luttrell and City Manager Gray met with Prairie City Mayor Gary Waterhouse and Prairie City Councilor Carole Garrison to discuss the revisions to the Agreement on Monday. City Manager Gray stated Prairie City preferred to be invoiced on an annual rate of \$79,100.94 per year, prorated as necessary and requested to remove the hourly rate.

The Agreement is scheduled to begin February 1, 2014; the major provisions of the Agreement are as follows:

- Section 2.1 – John Day Police Services: John Day will patrol by car and on foot; enforce criminal laws, Prairie City ordinances, Oregon Vehicle Code.
- Section 2.2 – Schedule of Services: John Day will provide the Services not less than 40 hours per week.
- Section 2.4 – Reports; Records; Fines: To the fullest extent permitted by applicable law, fines, penalties, fees, and/or revenues generated in connection with John Day’s performance of the Services, including without limitation, enforcement of Prairie City’s municipal code and/or ordinances, will be payable to Prairie City.
- Section 2.5 – Compensation: Prairie City will pay John Day \$79,100.94 per year, prorated as necessary, for John Day’s performance of the Services 40 hours per week; overtime rate per hour for any services performed by John Day in excess of 40 hours in any one week period; and overtime rate per hour for any “on-call” or “emergency” services performed by John Day between the hours of 3:00 a.m. and 7:00 a.m.; and \$600 per month for fuel and vehicle repairs and maintenance. John Day will submit monthly invoices to Prairie City.
- Section 3.1 – Independent Contractor: John Day is an independent contractor of Prairie City. John Day (and/or its personnel) is not an employee of Prairie City. John Day will be free from direction and control over the means and manner of performing the Services, subject only to the right of Prairie City to specify the desired results.
- Section 5.1 – Initial Term; Extensions: The agreement will commence on February 1, 2014 and continue until June 30, 2015 (based on fiscal year for budget purposes). The Agreement will automatically renew for one or more term(s) of one year unless sooner terminated in accordance with the Agreement. On or around March 1, 2015 (and each year thereafter) John Day and Prairie City will review this Agreement to determine whether any changes or modifications are necessary or appropriate (this includes compensation).
- Section 5.2 – Mutual Termination, No Cause and For Cause Termination: This Agreement may be terminated at any time by the mutual written agreement of Prairie City and John Day for any reason or no reason providing ninety (90) days’ prior notice, however, neither party may terminate this Agreement during the Initial Term unless such termination is for cause under this Section 5.2 as follows:
 - (a) Continuous and repeated problems occur in connection with the other party’s performance of its obligations under this Agreement.

(b) A party breaches and/or otherwise fails to perform any of such party's representations, warranties, covenants, and/or obligations contained in this Agreement.

- Section 6.1 – Coordination: City Manager will administer this Agreement on behalf of John Day. Mayor will administer this Agreement on behalf of Prairie City and will make the best effort to meet quarterly.
- Section 6.8 – Legal Representation: Law Firm represents only John Day in the negotiation and preparation of this Agreement.

Councilor Steve Schuette questioned the overtime asking if the City has only one officer on duty and that officer is in Prairie City; we have an emergency in John Day and we have to call somebody out, who will pay for the overtime. Police Chief Richard Gray responded that the officer in Prairie City could come back to John Day to respond to the call. If the call requires two officers then John Day would be paying the overtime bill.

Councilor Donn Willey questioned the overtime rate; how will it be determined. City Manager Gray stated the overtime rate is defined in Appendix A as 1.5 times the applicable hourly rate of pay for the officer(s) in excess of 40 hours in one week.

Councilor Gene Officer asked what is the benefit of this contract to John Day; it sounds like it is a full time position in Prairie City. City Manager Gray explained the City of John Day has serious budget issues in the general fund; revenues are not enough to cover expenditures for the past several years. This agreement with Prairie City will basically pay for our fourth officer. Each officer will spend 3 - 4 hours of their shift (officer's shifts are 10 hours per day) in Prairie City to provide the random coverage. This will not be an 8 a.m. – 5 p.m. job. Police Chief Richard Gray explained to the City Council the police department is just expanding their patrol area to include Prairie City. The benefit to John Day is that the days when the Chief doesn't have anyone on or is paying a reserve to cover our shifts, this fourth position will be working those shifts.

Councilor Paul Smith stated we're replacing one officer; we will still only have four officers. Now we combine Prairie City and John Day to cover those boundaries with the same amount of officers as we had before. Police Chief Gray stated yes, we just now have a larger area to cover with Prairie City.

Councilor Gene Officer questioned the mileage for a round trip to Prairie City is 26 miles, will the vehicle reimbursement cover everything including depreciation. Councilor Officer stated he did not believe that the citizens of John Day should have to spend a dime to cover Prairie City. City Manager Gray stated we ran the numbers with benefits and yes, we believe the \$600 per month for vehicle reimbursement and the \$79,000 (annual billing) will cover the City's cost for a fourth officer. Councilor Steve Schuette stated the Administration Committee met to discuss the agreement with Prairie City and while he can't speak for the rest of the Administration Committee, it was the consensus that if we didn't enter into this agreement with Prairie City, we would not be able to hire the fourth officer and the City would have to go down to only three officers.

Councilor Officer questioned if one officer will be spending 40 hours per week in Prairie City, why do we need the fourth officer. City Manager Gray explained the fourth officer will be only spending 3 – 4 hours per shift in Prairie City, the same as the other three officers. Having the fourth position helps the City with overtime issues and coverage. Without the fourth officer the City of John Day would have less coverage and Prairie City would have no police coverage.

Councilor Schuette explained that the City of John Day will have less coverage than we had in the past; however, we will have more coverage with the fourth officer than we would have had with only three officers.

Councilor Donn Willey questioned if the agreement would be revisited annually to evaluate the personnel and fuel costs. City Manager Gray stated yes, however, the initial agreement will expire June 2015, a little over a year, in order to be on a fiscal year instead of a calendar year for budget purposes.

Councilor Paul Smith questioned Police Chief Gray that the City just interviewed for the fourth officer position, would he be able to start the contract on Feb. 1st. Police Chief Gray responded that yes, he thought he could with the assistance of our reserve officers, who have already committed to helping out. Councilor Smith also questioned the new officer having to go to the DPSST Police Academy for 16 weeks; will he be able to continue the coverage for Prairie City while that officer is attending the academy? Police Chief Gray responded that he has commitments from his reserves stating they will help us out. Councilor Smith asked if Prairie City was aware of this, Police Chief Gray responded that yes, Prairie City is aware.

Mayor Ron Lundbom asked if the fourth officer's position was contingent on the Prairie City contract; Police Chief Richard Gray stated the Administrative Committee made it clear that the position was contingent on the Prairie City contract and he made it very clear to the applicants at today's interviews that the position was contingent on getting the Prairie City contract.

Councilor Steve Schuette stated the hardest part will be to educate our citizens, he reminded the City Council that we had to transfer funds from other funds to help balance the general fund. This contract will go directly into the general fund to pay for the fourth officer's position and may have extra funds to help balance the 911 fund.

Mayor Lundbom asked if there was any more discussion, there being none he asked for a motion from the Council.

Councilor Steve Schuette moved to allow the City Manager to sign the Intergovernmental Agreement for Law Enforcement Services between John Day and Prairie City subject to final revisions by City Attorney Jeremy Green. Councilor Don Caldwell seconded the motion; the motion passed unanimously.

Agenda Item No. 5 – Discuss for Signature an Engagement Letter for Bond Counsel Services between the City of John Day and Hawkins Delafield & Wood LLP

City Manager Gray presented an engagement letter for bond counsel services for signature with Hawkins Delafield & Wood LLP. City Manager Gray stated this is their standard engagement letter; the letter was reviewed by City Attorney Jeremy Green.

City Manager Gray informed the Council that we decided to go with the hourly rate instead of the fixed fee rate. This was based on going with a local commercial bank which doesn't involve preparation of a financial disclosure document. We are hoping this should be a fairly easy transaction if the citizens approve the bond measure.

The first step for the bond counsel is to prepare the ballot measure and election resolution. If the voters do not approve the bonds, the City is not charged for this service. If the voters approve the bonds, then they will prepare the bond sale resolution, bond declaration and closing documents.

City Manager Gray noted the bond counsel will also send the Rural District an engagement letter and will bill the Rural District separately from the City.

Councilor Paul Smith questioned the fees; City Manager Gray noted that if the bond measure does not pass and there is no project, there will be no fees.

Councilor Paul Smith asked how the City determined the amount of the 1.2 million for the bond. City Manager Gray reminded Councilor Smith of the Strategic Capital Plan that was developed by PARC Resources last year. She said she would get him a copy of the plan that explained the process the City and the Rural went through.

Councilor Donn Willey moved to allow the City Manager to sign the Engagement Letter for Bond Counsel Services between the City of John Day and Hawkins Delafield & Wood LLP. Councilor Steve Schuette seconded the motion, the motion passed unanimously.

Agenda Item No. 6 – Discuss for Approval John Day City Council Goals

Mayor Lundbom reviewed the City Council goals discussed at the previous council meeting as follows:

1. Continue working on the new fire station
2. US26/Main St. & 395 S. Canyon Blvd. Street Sidewalk Beautification Project; Enhance Project sidewalks from 6th Ave. to Grant Union-Junior High School
3. Charolais Heights/NW Bridge Street Intersection Realignment
4. Continue to market the industrial park
5. Seek funding to update the Wastewater Facilities Plan
6. Seek funding for city street maintenance

He asked if anyone had anything they wanted to add or delete from the list. Public Works Director David Holland explained the Charolais Heights project (#3) stating the project has been put on hold due to lack of funding to get the project done. He reminded the Council that the City owns the parking lot formerly owned by the Oregon State Forestry; the City traded sidewalks for the land. David also reminded the Council that we have an easement from the Eddy's also needed for the project. The engineering has been completed (main design and engineering is completed, we still have to pay the surveyors); we just need a little help from the County to get the project completed, everything else is in place.

Mayor Lundbom asked County Commissioner Chris Labhart who was in attendance, if he would like to comment on the city street maintenance issue. Commissioner Labhart stated the County is in the process of putting their budget together for next year; their first meeting will be in March. The County has been informed that in February the County should be receiving their SRS (Secured Rural Schools) funds. The new County Road Master Sue Horn stated she is under the impression that she doesn't need as much money from that fund as in the past and she is willing to share some of that money. Ms. Horn will present to the County's Budget Committee as to what she needs and would like to share the rest with the cities and schools.

Councilor Paul Smith stated Sue took all those dollars and combined them into a budget that worked for her Road Department and her one-year project plan. Then she looked at the SRS dollars in a combined way and gave the cities and schools money which made the SRS dollars blend into a community assistance for county roads, city streets and schools. He said the message he received was that the County Road Advisory Committee, Road Master Sue Horn and Kathy Gillam were all comfortable with it.

Commissioner Labhart stated Road Master Sue Horn said "we're all in this together, it's hard times and we need to share a little." He said he doesn't want to have that adversarial relationship with the cities and school and felt that the cities didn't need to show up and beg for money this year. Commissioner Labhart thought, for the first time, the County has a plan for the future. He reminded the City Council that the SRS money might not always be there; but if it is, then let's share it.

Councilor Gene Officer asked Commissioner Labhart about the timber receipts for rural counties. Commissioner Labhart stated the PILT (Payment in Lieu of Taxes) is being discussed at the federal level and he thought it was included in the farm bill and they think it has a really good chance of going through. He explained that the federal agency, instead of paying property taxes (which they can't legally do); they pay us money in lieu of property taxes for federally regulated lands.

Mayor Lundbom thanked Commissioner Labhart for the information and for all of the County's hard work.

Councilor Steve Schuette moved to approve the six City council goals for 2014. Councilor Don Caldwell seconded the motion, the motion passed unanimously.

Agenda Item No. 7 – Reappoint Carolyn Stout to the John Day Budget Committee

Mayor Lundbom stated Carolyn Stout has agreed to continue on the Budget Committee and asked for a motion to reappoint her to the John Day Budget Committee.

Councilor Donn Willey moved to reappoint Carolyn Stout to the John Day Budget Committee with a term to expire January 2017. Councilor Gene Officer seconded the motion, the motion passed unanimously.

Agenda Item No. 8 – Reappoint Tom Bupp and Tim Unterwegener to the John Day Planning Commission

Mayor Lundbom stated Tom Bupp and Tim Unterwegener have agreed to stay on the John Day Planning Commission and asked for a motion to reappoint them.

Councilor Donn Willey moved to reappoint Tom Bupp and Tim Unterwegener to the John Day Planning Commission with terms to expire January 2018. Councilor Don Caldwell seconded the motion, the motion passed unanimously.

Agenda Item No. 9 – Other Business and Upcoming Meetings

1. LOC Bulletins were given to the City Council.
2. Police Chief Richard Gray updated the City Council on the Police Officer interviews.
3. City Manager Peggy Gray stated she would attend a meeting to discuss the feasibility of a new pool. Dr. Andrew Janssen is putting a committee together to see if there is any interest in building a new swimming pool; the pool would be paid with grant funds not tax dollars.
4. The Citizen's Fire Advisory Committee for the new fire station will meet on February 4, 2014 at 10 a.m.

5. Councilor Paul Smith appreciated the City Manager’s quarterly staff report.

Adjourn

There being no further business before the Council, Councilor Donn Willey made a motion to adjourn the meeting. Councilor Don Caldwell seconded the motion and the motion passed unanimously. The meeting was adjourned at 8:09 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, FEBRUARY 11, 2014.

Mayor Ron Lundbom