

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

**February 11, 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  
Ron Smith, Fire Chief

**GUESTS PRESENT:**

Chris Labhart, John Day  
Mark Witty, John Day  
Tracie Unterwegner, 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 28, 2014**

The minutes of the January 28, 2014 adjourned meeting were included in the agenda packets and presented for the Council's approval. Mayor Lundbom acknowledged Grant County Commissioner Chris Labhart; Commissioner Labhart stated that he misspoke to the John Day City Council at the January 28<sup>th</sup> council meeting. Commissioner Labhart stated he was incorrect when he told the council that the PILT (Payment in Lieu of Taxes) would be divided between every taxing district and asked that it be noted in the minutes. He explained that the PILT payment goes directly into the County's general fund. He also informed the City Council that the PILT payments were approved at the federal level for a five-year term.

**Councilor Don Caldwell made a motion that the minutes of January 28, 2014 be approved as amended; Councilor Steve Schuette 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. There were none presented.

**Agenda Item No. 4 – Presentation by Grant Union School District #3 Superintendent Mark Witty**

Mayor Lundbom introduced Grant Union School District #3 Superintendent Mark Witty. Mr. Witty presented a power point presentation to the City Council regarding the school district's annual update. He explained that as a board and a district they want to communicate with the public as much as they can and he felt this would be a good arena to do that. Mr. Witty introduced Tracie Unterwegner as the longest running school board member in their district.

Mr. Witty stated they are currently in the process of reprioritizing what they want to get accomplished. The presentation detailed the list of accomplishments and their priority level. Mr. Witty highlighted the following:

- Secured Rural Schools (SRS) funding, stated those funds were very important to the school district. This is how they fund their curriculum and technology.
- Identified Areas of Investments; they want to put together a budget that is sustainable, and not overreach the revenues coming in:
  - ⇒ Preschool - approximately 25% of current kindergarten students did not attend preschool.
  - ⇒ Headstart – would like to see the program incorporated at Grant Union (3-4 year olds).
  - ⇒ RTI ( Response to Intervention) Friday school opportunity for grades K-6; looking at additional opportunities for targeted students in reading and math. Looking at summer school. Wrote a grant to Oregon Community Foundation & Individual donors. Additional .5 FTE licensed reading specialist for grades K-6.
  - ⇒ Vo-Ag Program – CTE Revitalization grant funded \$194,088 awarded, equipment, updated facilities and additional .5 FTE teacher through June 2015 for metal fabrication classes. Mayor Lundbom mentioned a mechanics classes that he offered to the school for free and all it required from the school was whatever it made it legal for him to be able to teach the kids. He stated Curt Shelley shot him down. Mr. Witty invited him to come up and visit with him. Mayor Lundbom referred to how it was when he was in school; Mr. Witty stated in 2008 they hit a recession and had to cut 1.6 million dollars out of their budget (34 positions), He was clear the budget doesn't support what we used to have and he can't afford what everybody wants and had to learn to say no.
  - ⇒ Language Arts – truly a need to get two more sections.
  - ⇒ Wrestling Program – currently 19 in this program with a volunteer coach.

- ⇒ Full Day Kindergarten – now have half day kindergarten. 2015-2017 biennium the state is saying everyone has to have full day kindergarten, for them to provide it, it will cost the district \$115,000. The state said they will come through and pay for it. They don't know for sure if they will.
- ⇒ Community Health Center – looking at funding through grants. Center would be located at Grant Union and provide services to students, staff and community members.
- ⇒ Retire Debts Early – they have two interest-bearing debts, if they get the SRS funds this year, it would be a wise choice to retire those debts and save \$24,000 of interest.
- ⇒ Capital Project needs – they made a list of troublesome issues; not enough money to do major remodeling. Dealing with older structures, costs more money to maintain. The community determines what level those buildings are going to be.
- ⇒ Student Population – Paid based on number of students. They have gone from 1,148 students in 1998 to approximately 593 today.
- ⇒ Last three years they have cut \$1,613,475 from their budget, approximately 30% of the general fund budget.
- ⇒ Cash carryover has declined but believes they are getting a handle on it.
- ⇒ Lost \$61,000 due to sequestration.
- ⇒ Ending Fund Balance Projection, trying to build up cash to be able to do little projects each year. Build in curriculum and technology to cover those costs.

Mr. Witty stated his office is open anytime and invited the Council to come in and visit. City Manager Gray asked about Vo-Ag position how he was going to continue funding it once the grant money is gone. Mr. Witty stated the goal is to budget for the position in their projections to make sure they have the capacity to keep it. City Manager Gray asked where they were getting the grant opportunities. Mr. Witty stated most of them are from Strategic Initiatives that the Governor's office has put together.

Mr. Witty informed the council that the fundraising committee headed by Ken and Shermae Boethin is really close to reaching their goal to rubberize the track at the Junior-Senior High School. They have raised about \$136,000 primarily through grant money.

Mayor Lundbom asked Mr. Witty why they gave away Mt. Vernon School. Mr. Witty explained they had advertised to sell that building for years and had no interest in the building. Liability was getting greater and greater and the board wanted the building to be a productive piece. The board made a decision to sell the building to eliminate their liability and maintenance costs and put the building back into the community of Mt. Vernon. Tracie Unterwegner stated they went through the same thing with the Junior High building here in town. The Library Foundation was the only one that expressed interest, you have an offer; no it wasn't for much money, but they had to cut their expenses. Both buildings had a lot of asbestos issues, which makes it hard to sell and lenders will not loan on it.

Mayor Lundbom thanked Mr. Witty for the information and coming.

**Agenda Item No. 5 – Discuss for Adoption Resolution No. 14-716-02, Resolution Exercising the Power of Eminent Domain Exhibit D, Right of Way Services**

City Manager Gray explained Resolution No. 14-716-02 is an additional resolution requested by ODOT for our US26 Main St. and Canyon Blvd. Sidewalk project. This resolution includes the legal description revision for the Sign Easement (Parcel 4) needed on the Dairy Queen property described as “Exhibit A.”

In order to accomplish the project it is necessary to acquire the interests in the property described in “Exhibit A,” attached to this resolution. This revision has been negotiated with the property owner.

**Councilor Donn Willey moved to adopt Resolution No. 14-716-02. Councilor Gene Officer seconded the motion, the motion passed unanimously.**

**Agenda Item No. 6 – Discuss for Signature Donation Temporary Easement and Donation Agreement**

City Manager Gray stated ODOT is requesting the City of John Day to sign a Donation Temporary Easement document for the work area needed for the construction of sidewalks at the fire hall property on S. Canyon Blvd.

Basically the Donation Temporary Easement acknowledges that the City of John Day agrees to receive no monetary consideration for this temporary easement. By signing the Donation Agreement form, the City of John Day releases ODOT from its requirement to provide a valuation report. Federal and state laws as stated in the Donation Agreement allow property owners to donate necessary property rights if they wish. Donating the property and releasing ODOT from its requirement to provide a valuation report essentially saves money on the project.

**Councilor Donn Willey moved to allow Mayor Lundbom to sign the Donation Temporary Easement and the Donation Agreement. Councilor Don Caldwell seconded the motion, the motion passed unanimously.**

**Agenda Item No. 7 – Discuss for Adoption Resolution No. 14-717-03, a Resolution calling a Measure Election to submit to the Electors of the city the Question of Authorizing up to \$655,000 of General Obligation Bonds to Finance a Fire Station; Declaring Intent to Reimburse Expenditures; and Related Matters**

City Manager Gray presented a revised resolution to the City Council. She stated the only change in the new resolution were on Exhibit A and B in the summary. We revised one sentence to read “the district is also seeking general obligation bond approval to finance its proportionate share of the proposed fire station.”

City Manager Gray said Resolution No. 14-717-03 calls for a measure election for the purpose of submitting to the electors of the City of John Day the question of issuing up to \$655,000 in general obligation bonds to finance a new fire station. The bonds shall mature over a period of not more than 21 years. Adopting this resolution will approve the ballot title that is attached as Exhibit A and direct that the ballot title be filed with the City Elections Officer.

The measure election will be held on May 20, 2014; the City Elections Official shall publish in the next available edition of the Blue Mountain Eagle (February 19, 2014) a notice of receipt of the ballot title

including notice that an elector may file a petition for review of the ballot title pursuant to ORS 250.296 not later than the seventh business day after the title is filed with the City Election Officer. The notice is attached to this resolution as Exhibit B.

If no petitions are filed pursuant to ORS 250.296 to change the ballot title, the Notice of City measure Election shall be filed with the Grant County Elections Office no later than March 20, 2014 (sixty-one (61) days prior to the election date), and no earlier than the eighth business day after the date on which Exhibit A is filed with the City Elections Officer. If a petition is filed to change the ballot title, the Notice of Measure Election, in substantially the form of Exhibit A, but with any changes required by the circuit court, shall be filed as soon as the circuit court certifies the ballot title to the City Elections Officer, and not later than March 20, 2014.

The City declares its official intent to reimburse itself with the proceeds of the Bonds for any amounts the City spends on the project before the bonds are issued. The law firm of Hawkins Delafield and Wood LLP has been appointed to serve as bond counsel with respect to the issuance of the Bonds. The City will pay the fees and expenses of bond counsel from Bond proceeds.

This is a joint project between the City of John Day and the John Day Rural Fire Protection District. The two governments want to allocate the amount of \$1.2 million between them based on assessed values. Our bond counsel divided the \$1.2 million by the relative assessed values and got \$651,184.40 for the City portion and \$548,815.60 for the District portion. Since bonds are generally issued in \$5,000 increments in the public markets, they rounded up for the City maximum principal amount to \$655,000. The rounded maximum principal amount for the District would be \$550,000.

City Manager Gray informed the Council that our Bond Counsel recommended the City and the District hire a financial advisor to serve as our fiduciary agent for the placement or issuance of proposed general obligation bonds. City Manager Gray stated she hoped to have a contract for Council approval at the February 25<sup>th</sup> city council meeting.

Fire Chief Ron Smith stated the Rural Board approved their ballot title today and he believed Mary took it to the County Clerk's office today.

**Councilor Don Caldwell moved to adopt Resolution No. 14-717-03. Councilor Donn Willey seconded the motion, the motion passed unanimously.**

#### **Agenda Item No. 8 – Discuss Donation Request to Grant Union High School Grad Night 2014**

City Manager Gray stated we donate to the Grant Union High School's "Grad Night Party" every year. This function gives our graduating seniors and their friends an alcohol and drug-free environment on graduation night thus keeping our graduates safe to begin the next chapter of their lives.

In previous years we have donated \$100 to this important event. In the past we have taken the donation out of the community promotions line item in the general fund. Currently we have \$300 remaining in that line item.

Mark Witty gave a history as to how this event got started. Each year too many seniors were getting killed on graduation night. This event keeps the kids busy and off the streets. A lot of schools throughout the state and country do this.

**Councilor Steve Schuette moved to donate \$100 to GUHS Grad Night. 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. The January, 2014 Statement of Revenue and Expenditure Budget to Actual reports were given to the John Day City Council.
3. City Manager Gray updated the Council on the swimming pool meeting on January 29, 2014.
4. Newsletters from Representative Bentz were given to the City Council.
5. City Manager Gray was instructed to include an executive session on the February 25, 2014 council agenda, with the council meeting beginning at 6 p.m.
6. City Manager Gray informed the Council that Prairie City Council will be meeting the next day to discuss the Law Enforcement Agreement.

**Adjourn**

**There being no further business before the Council, Councilor Don Caldwell made a motion to adjourn the meeting. Councilor Steve Schuette seconded the motion and the motion passed unanimously. The meeting was adjourned at 7:58 p.m.**

Respectfully Submitted:

Peggy Gray  
City Manager

ACCEPTED BY THE CITY COUNCIL, FEBRUARY 25, 2014.

---

Mayor Ron Lundbom