

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

February 25, 2014

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

GUESTS PRESENT:

None present

Agenda Item No. 1 – Open and Note Attendance

The John Day City Council meeting opened at 6:00 p.m. Mayor Ron Lundbom noted that all Councilors were present with the exception of Councilor Steve Schuette who was absent and excused.

Agenda Item No. 2 – Approval of City Council Minutes of February 11, 2014

The minutes of the February 11, 2014 adjourned meeting were included in the agenda packets and presented for the Council's approval.

Councilor Donn Willey made a motion that the minutes of February 11, 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. There were none presented.

Agenda Item No. 4 – Enter into Executive Session under ORS 192.660 (2) (f) to Consider Information or Records that are Exempt by Law from Public Inspection

Mayor Lundbom read the script to enter into executive session as follows:

The executive session is held pursuant to ORS 192.660(2) (f) for this session, to consider information or records that are exempt by law from public inspection.

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the end of the executive session, we will return to open session and welcome the audience back into the room.

Mayor Lundbom asked for a motion from the Council to move into executive session under ORS 192.660(2) (f).

Councilor Donn Willey moved to enter into executive session under ORS 192.660(2) (f). Councilor Doug Gochnour seconded the motion the motion passed unanimously. The John Day City Council moved into executive session at 6:02 p.m.

Those attending the executive session included Mayor Lundbom; Councilors Willey, Gochnour, Smith, Officer, and Caldwell and City Manager Gray. City Attorney Jeremy Green attended the executive session via telephone.

Councilor Doug Gochnour made a motion to move out of executive session and enter into regular session; Councilor Don Caldwell seconded the motion, the motion passed unanimously. The John Day City Council moved out of executive session at 6:22 p.m.

Agenda Item No. 5 – Discuss for Adoption Ordinance No. 14-160-01, an Ordinance declaring an assessment of \$3,139.00 against the Real Property located at 405 SE Hillcrest Road, John Day, Oregon for Demolition Costs of the Dangerous Building located thereon and/or against the Building's Owner

Included in the council packets was a revised (redline) copy of Ordinance No. 14-160-01 declaring an assessment against the building located at 405 SE Hillcrest Road, John Day, OR. Notice of the Ordinance and its availability was posted at City Hall and two other sites in John Day and on the City of John Day's website on February 14, 2014. Mayor and City Councilors received a copy of the ordinance via electronic message on February 14, 2014.

City Manager Gray noted the revisions to the Ordinance No. 14-160-01 to the one that was emailed to the Council on February 14, 2014. The revisions were as follows:

- Cost of the demolition was \$3,139.00
- Attached the legal description as Exhibit A
- Revised language in the 6th “whereas statement” to reflect the Council selected S.A. Moore to perform the work
- Revised language in 7th “whereas statement” to reflect the Contractor performed the work on or about November 2013

Also included in the council packet was a revised (redline) Claim of Lien. Thirty days or more after the Ordinance is approved; we can have it signed by our Finance Director, have that signature notarized and record the signed and notarized Claim of Lien with the County Clerk.

City Manager Gray noted the revisions to the Claim of Lien to the one that was emailed to Council on February 14, 2014. The revisions were as follows:

- Cost of the demolition was \$3,139.00
- Deleted the language in the middle of the document that stated “including the Lien for past due insurance premiums”
- Added the City is entitled to reimbursement for all costs and attorney fees incurred related to this matter. The current amount owing for costs and fees is \$5,405.95. Additional amount will continue to accrue.

City Manager Gray informed the Council interest will accrue at the statutory legal rate of interest at 9 percent from the date of the Lien filing.

Councilor Doug Gochnour moved to read Ordinance No. 14-160-01 by title only. Councilor Don Caldwell seconded the motion. The motion passed unanimously.

Mayor Lundbom read Ordinance No. 14-160-01 by title only as follows:

An Ordinance declaring an assessment of \$3,139.00 against the Real Property located at 405 SE Hillcrest Road, John Day, Oregon for Demolition Costs of the Dangerous Building located thereon and/or against the Building’s Owner

Councilor Donn Willey moved to adopt Ordinance No. 14-160-01. Councilor Don Caldwell seconded the motion. The motion passed by the City Council of the City of John Day by a vote of 6 for and 0 against.

Agenda Item No. 6 – Discuss for Signature Wedbush Securities Financial Advisor Services Agreement

City Manager Gray informed the Council that our Bond Counsel recommended the City of John Day and the Rural Fire Protection District hire a financial advisor to serve as the City and the District’ fiduciary agent for the placement or issuance of proposed general obligation bonds.

City Manager Gray stated Wedbush Securities is vetted by the League of Oregon Cities and is outside of the Public Contracting rules and the City can appoint the firm by direct appointment. Our contact person is Katie Schwab and she was highly recommended by the people that we contacted during our bond counsel search.

The Contractor will be required to perform the following:

1. Analyze the financing alternatives available to the City for financing the construction, furnishing and equipping of a new fire station (the “Project”) in conjunction with the John Day Rural Fire Protection District through the issuance or placement of general obligation bonds (the “Bonds”);
2. Size the Bond taking into account construction costs, reimbursements to third parties, if any, and estimated costs of issuance;
3. In cooperation with City, review all documents necessary to implement the Bond financing, including but not limited to the authorizing resolutions, purchase or placement agreement, and the

preliminary and final official statements or placement memorandums distributed to potential investors, as required;

4. Advise the City on the timing of the sale or placement of the Bonds in relation to prevailing market conditions and financing needs;
5. Assist in the signing and delivering of the Bonds; and
6. Serve as fiduciary agent of the City and coordinate with all parties so as to consummate the sale and delivery or placement of the Bonds in a timely manner.

Contractor's compensation for bond or loan issues follows.

Compensation

Financial Advisor fees: Fee is a flat fee of \$4,100.

Incidental Expenses: Any travel or other expenses related to Contractor's services will be billed at cost to the City. With the exception of travel expenses, if any, we anticipate no incidental expenses directly related to the provision of our services.

Invoices

Fees and expenses will be billed to the City and are payable at the closing of the Bonds.

It is understood that Wedbush will also serve as the fiduciary agent of the John Day Rural Fire Protection District. The District will have its own contract with Wedbush. Total amount of the Financial Advisor fees is \$7,500 for both districts. Wedbush prorated the amount for the City and the Rural according to the amount of the bond measures. The City's prorated fee is \$4,100; the District's will be \$3,400.

City Manager Gray informed the Council that Katie Schwab is preparing a document that will include information on the GO bond process, options for the method of selling bonds, roles and responsibilities and debt service schedules, levy rate analysis and the estimated homeowner impact for both the City and the District's proposed GO Bonds. City Manager Gray stated it is important to note that the schedules are preliminary estimates only and will undoubtedly change between now and the time the GO Bonds close. Interest rates are on the rise, assessed property values change etc.

City Manager Gray stated once we have a signed contract, she will schedule Ms. Schwab to attend a City Council meeting either in person or by phone.

Councilor Doug Gochnour was excused from the council meeting at 6:56 p.m.

Councilor Donn Willey moved to allow City Manager Gray to sign the Wedbush Securities Financial Advisor Services Agreement. Councilor Gene Officer seconded the motion. The motion passed unanimously.

Agenda Item No. 7 – Discuss City Manager's Annual Evaluation

City Manager Gray presented the City Council with a City Manager’s Report of projects that she has been involved with over the past year in addition to the daily operations of the City. It was the consensus of the City Council to have all the Councilors complete their individual evaluations of City Manager Gray and turn them into Mayor Lundbom by March 10, 2014 in order for the Mayor to compile the comments and be ready for an executive session to discuss Ms. Gray’s performance at the March 25, 2014 regular city council meeting.

Agenda Item No. 8 – Other Business and Upcoming Meetings

1. LOC Bulletins were given to the City Council. City Manager Gray asked if the Councilors saw the February 21st issue. Following debate that has spanned several legislative sessions and many years, the inclusion of prepaid devices and services under the 9-1-1 emergency communications tax could soon become a reality. Friday morning, HB 4055 was approved 56-1 by the House. The bill had received unanimous approval Thursday by the House Revenue Committee, chaired by Representative Phil Barnhart (D-Eugene). The bill now moves to the Senate.
2. Mayor Lundbom informed the Council that he and the City Manager Gray attended Senator Jeff Merkley’s Town Hall meeting on Sunday, February 16, 2014 in Mt. Vernon.
3. City Manager Gray gave an update on the Prairie City Law Enforcement Agreement. She stated she felt they are very close to coming to an agreement and the next meeting of the Prairie City Council will be held on March 12, 2014.

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 7:13 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, MARCH 11, 2014.

Mayor Ron Lundbom