

**John Day City Council  
July 28, 2015  
7:00 PM  
Council Chambers  
AGENDA**

1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF CITY COUNCIL MINUTES OF JULY 14, 2015.**
3. **APPEARANCE OF INTERESTED CITIZENS – At this time Mayor Lundbom will welcome the general public and ask if there is anything they would like to add to tonight’s agenda.**

**ACTION ITEMS:**

4. **PUBLIC HEARING ON PROPOSED 2015-2016 SUPPLEMENTAL BUDGET, DISCUSS FOR ADOPTION RESOLUTION NO. 15-746-11**  
Attachments:
  - Proposed 2015-2016 Supplemental Budget Summary
  - Resolution No. 15-746-11 with budget worksheets
  - Oregon Local Budgeting Manual - Chapter 13 – Budget Changes after Adoption
5. **DISCUSS REQUEST FROM SHELLY WHALE-MURPHY, EXECUTIVE DIRECTOR FOR HEART OF GRANT COUNTY**  
Attachment:
  - July 21, 2015 electronic mail from Shelly Whale-Murphy
6. **DISCUSS FOR SIGNATURE ENGAGEMENT LETTER FOR THE CITY’S ANNUAL AUDIT FROM GUYER & ASSOCIATES**  
Attachment:
  - Engagement letter for the City’s annual audit from Guyer & Associates
7. **PRESENTATION OF THE ANNUAL SYSTEM DEVELOPMENT CHARGE (SDC) ACCOUNTING REPORT BY ANNA BASS OF OSTER PROFESSIONAL GROUP**  
Attachment:
  - Spreadsheets for fiscal year 2015 SDC activities

**OTHER BUSINESS:**

8. **OTHER BUSINESS AND UPCOMING MEETINGS**  
Attachment:
  - LOC Bulletins

**ADJOURN**

**FROM:** Peggy Gray, City Manager

**DATE:** July 24, 2015

**SUBJECT:** Public Hearing on Proposed 2015-2016 Supplemental Budget, discuss for Adoption Resolution No. 15-746-11

Attachments:

- Proposed 2015-2016 Supplemental Budget Summary
- Resolution No. 15-746-11 with budget worksheets
- Oregon Local Budgeting Manual - Chapter 13 – Budget Changes after Adoption

**BACKGROUND:**

This spring during the 2015-2016 budget process, Jeff Deswert of Kirby Nagelhout Construction Company (CM/GC) estimated his company would bill the City \$230,000 for the new fire station project by June 30, 2015 (the end of fiscal year 2015) at that time we expected construction of the new fire station to begin in May 2015. We added \$230,000 to our estimated expenditures for the construction of the new fire station (line item 65200) for fiscal year 2015.

As with most construction projects, budgets don't always align with construction costs; the project construction date has been rescheduled to late August 2015 and to date we have not received an invoice from Kirby Nagelhout Construction Company.

Since the \$230,000 was budgeted to expend last fiscal year, the City cannot expend those funds unless we appropriate it for this fiscal year. In order for us to do that, we need to do a supplemental budget adding the \$230,000 back into our current year budget (fiscal year 2016).

Oregon Budget Law requires a public hearing to be held and public comment taken before adoption of a supplemental budget if the proposed supplemental budget will change any fund's expenditures by more than 10 percent (which is the case here). The hearing is held by the governing body. The budget committee is not required to be involved. At the hearing, the governing body must hear comments and questions from any person who wishes to speak.

Not less than five days before the hearing, a notice of hearing and a summary of the changes proposed in the funds that differ by more than 10 percent must be published using one of the methods used to publish the notice of the original budget hearing. A notice of public hearing for this proposed supplemental budget was published in the July 22, 2015 edition of the Blue Mountain Eagle and on the City's website. Anna Bass from Oster Professional Group will be available to help answer any questions.

**RECOMMENDATION:**

Mayor Lundbom opens the public hearing on the proposed 2015-2016 supplemental budget at 7:00 p.m. Once the John Day City Council hears and addresses all public comments and concerns, I recommend the John Day City Council adopt Resolution No. 15-746-11.

**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** July 24, 2015

**SUBJECT:** Discuss Request from Shelly Whale-Murphy, Executive Director for Heart of Grant County

Attachment:

- July 21, 2015 electronic mail from Shelly Whale-Murphy

**BACKGROUND:**

Heart of Grant County is sponsoring a color family fun run on October 3, 2015. They are seeking permission to use the trail and the area at the Industrial Park again this year. The run/walk will consist of several laps where the participants will be painted with colored powders. The powder is a mix of cornstarch and food coloring so it is completely biodegradable.

Last year we had no problems and it appeared that the event was very well received and everyone had a lot of fun. They will present a special event endorsement from their insurance company and will be responsible for all clean up duties after the event.

Shelly Whale-Murphy will be present to answer any questions or concerns you may have.

**RECOMMENDATION:**

Heart of Grant County is a private non-profit organization and provides a very important service to our community by working directly with families to break the cycle of violence. I recommend the John Day City Council support the color family fun run and allow them to use the industrial park property for this event.

**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** July 24, 2015

**SUBJECT:** Discuss for Signature Engagement Letter for the City's Annual Audit from Guyer & Associates

Attachment:

- Engagement letter for the City's annual audit from Guyer & Associates

**BACKGROUND:**

Attached is our engagement letter for the City of John Day's annual audit from Kent Bailey of Guyer & Associates. The audit has been scheduled to begin the week of August 31, 2015; Guyer & Associates will issue their reports no later than December 1, 2015. The gross fee, including expenses, will not exceed \$16,360 (\$12,860 for the annual audit plus \$3,500 for the A-133 audit).

This year the City is required to have a Single Audit due to our State Downtown Sidewalk project that was funded with Federal Funds. As Mr. Bailey states the cost to do the additional testing and report for this program will be \$3,500 above the prior year's audit costs. We have budgeted for the extra \$3,500 and informed the Budget Committee of this additional requirement during this year's budget process.

**RECOMMENDATION:**

On page 5 of the engagement letter, Mr. Bailey states he will begin his audit the week of August 25<sup>th</sup>; I have confirmed with him that the audit is actually scheduled to begin the week of August 31<sup>st</sup>. As the date is really not an issue, I recommend the John Day City Council allows City Manager Gray to sign the engagement letter for the City's annual audit with Guyer & Associates.

**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** July 24, 2015

**SUBJECT:** Presentation of the Annual System Development Charge (SDC) accounting report by Anna Bass of Oster Professional Group

Attachment:

- Spreadsheets for fiscal year 2015 SDC activities

**BACKGROUND:**

Each year the City Recorder shall provide the city council with an annual accounting, based on the City's fiscal year, for system development charges showing the total amount of system development charge revenue collected for each utility and the projects funded from each account.

Included in your council packet are spreadsheets prepared by Anna Bass of Oster Professional Group. Anna will be present at the council meeting to answer any questions you may have regarding this annual accounting report.

**TO:** John Day City Council  
**FROM:** Peggy Gray, City Manager  
**DATE:** July 24, 2015  
**SUBJECT:** Other Business and Upcoming Meetings  
Attachment:  
• LOC Bulletins

**OTHER BUSINESS:**

1. The July 17, 2015 LOC Bulletins are included in your council packets.
2. I have received word from Meyer Memorial Trust that we were awarded the full \$200,000 for the fire station's community room. I was informed that since this is a capital project, the money will be paid from the Oregon Community Foundation, Meyer Trust Donor Advised Fund. Our award letter will come from the Oregon Community Foundation. Community room grants status:
  - Ford Family Foundation \$200,000 Secured
  - Oregon Community Foundation/Shelk Foundation \$ 21,000 Secured
  - Meyer Memorial Trust \$200,000 Secured
  - Trust Management Services \$ 9,170 Secured
  - Collins Foundation \$ 40,000 Pending
  - Murdock Foundation \$300,000 Pending (letter of inquiry)

**UPCOMING MEETINGS:**

July 27, 2015	10:00 a.m. – 2:00 p.m. Ontario	SEACT board meeting – City Manager Gray attending
July 28, 2015	Noon Chamber	Transient room Tax Meeting – Street banner grant application Presentation
August 5, 2015	11:00 La Grande	Eastern Oregon City Manager's meeting
August 11, 2015	7:00 p.m. Council Chambers	Regular City Council Meeting