

**John Day City Council
December 8, 2015
7:00 PM
Council Chambers
AGENDA**

1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF CITY COUNCIL MINUTES OF NOVEMBER 10, 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. **PRESENTATION OF EMPLOYEE RECOGNITION CERTIFICATE**
5. **DISCUSS FOR APPROVAL THE FISCAL YEAR 2015 AUDIT BY GUYER & ASSOCIATES**

Attachment:

 - Independent Auditors’ Report and Financial Statements for the Year Ended June 30, 2015 (included in council packet)
6. **DISCUSS FOR ADOPTION RESOLUTION NO. 15-747-12, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JOHN DAY, OREGON ENCOURAGING THE STATE OF OREGON TO ADDRESS COMPREHENSIVE TRANSPORTATION FUNDING**

Attachment:

 - Resolution No. 15-747-12
7. **DISCUSS FOR ADOPTION RESOLUTION NO. 15-750-15, A RESOLUTION TO AUTHORIZE EXPENDITURES OF THE COLLINS FOUNDATION GRANT**

Attachment:

 - Resolution No. 15-750-15
8. **DISCUSS FOR ADOPTION RESOLUTION NO. 15-751-16, A RESOLUTION ESTABLISHING WATER RATES, DEPOSITS, AND OTHER RELATED CHARGES**

Attachments:

 - Resolution No. 15-751-16
 - Utility Expense Analysis – Water Fund
9. **DISCUSS FOR ADOPTION RESOLUTION NO. 15-752-17, A RESOLUTION TO ESTABLISH SEWER SERVICE AND CONNECTION CHARGES**

Attachments:

 - Resolution No. 15-752-17
 - Utility Expense Analysis – Sewer/Joint Sewer Funds

OTHER BUSINESS:

10. OTHER BUSINESS AND UPCOMING MEETINGS

Attachments:

- LOC Bulletins
- Quarterly Staff Report
- Letter to Louis A. Yost, US Board on Geographic Names

ADJOURN

TO: John Day City Council
FROM: Peggy Gray, City Manager
DATE: December 4, 2015
SUBJECT: Presentation of Employee Recognition Certificate

BACKGROUND:

Mayor Lundbom will present Fred Ostberg of the John Day Public Works Department an employee recognition certificate for 10 years of dedicated service to the City of John Day and the John Day Public Works Department.

TO: John Day City Council

FROM: Peggy Gray, City Manager

DATE: December 4, 2015

SUBJECT: Discuss for approval the Fiscal Year 2015 Audit by Guyer & Associates
Attachment:

- Independent Auditors' Report and Financial Statements for the Year Ended June 30, 2015 (included in council packet)

BACKGROUND:

The Independent Auditors' Report and Financial Statements for the Year Ended June 30, 2015 is included in your council packets. Kent Bailey of Guyer & Associates will be present to address the Council and answer any questions you may have.

RECOMMENDATION:

I recommend the John Day City Council accept the Independent Auditors' Report and Financial Statement for the Year ended June 30, 2015.

TO: John Day City Council

FROM: Peggy Gray, City Manager

DATE: December 4, 2015

SUBJECT: Discuss for adoption Resolution No. 15-747-12, a Resolution of the City Council of the City of John Day, Oregon Encouraging the State of Oregon to Address Comprehensive Transportation Funding

Attachment:

- Resolution No. 15-747-12

BACKGROUND:

This item was tabled from our October 13, 2015 city council meeting and discussed again at our November 10, 2015 council meeting. The purpose of the resolution is to encourage the State of Oregon to increase and make more sustainable funding for highway, road and street maintenance and preservation.

It was the consensus of the John Day City Council to recommend to the State of Oregon to seek passage of a comprehensive transportation funding and policy package containing at least the following:

1. An increase in the state gas tax of up to five cents per gallon;
2. Indexing of the state gas tax to the consumer price index or another relevant economic index;
3. Maintaining the dedication of the state's Highway Trust Fund dollars to highway, road and street projects;
4. Continued allocation of Highway Trust fund dollars between the state, counties and cities at 50%-30%-20%, respectively;
5. An increase in the statutory "Small City Allotment" fund from \$1 million to \$5 million annually, split evenly between the Oregon Department of Transportation and the cities share of the trust fund;
6. No preemption of local government ability to generate their own transportation revenues; and
7. Funding for the jurisdictional transfer and maintenance of orphan highways (state highways or county roads that function as city streets).
8. License plates fees for All-Terrain Vehicles (Class I, Class II, and Class IV All Terrain Vehicles); bicycles; and all road users.

RECOMMENDATION:

The John Day City Council adopts Resolution No. 15-747-12.

TO: John Day City Council

FROM: Peggy Gray, City Manager

DATE: December 4, 2015

SUBJECT: Discuss for Adoption Resolution No. 15-750-15, a resolution to authorize Expenditures of The Collins Foundation Grant

Attachment:

- Resolution No. 15-750-15

BACKGROUND:

At our last council meeting the Council was informed that the City received a \$40,000 grant from The Collins Foundation for the new fire station's community/training room. The City of John Day received \$470,170 in grants for the community/training room. This places the City \$20,170 over the budgeted amount of \$450,000 for this project. In order to expend the \$20,170, the Council will need to adopt Resolution No. 15-750-15.

This grant was applied for in June 2015; at that time we anticipated receiving \$450,000 in grants from funders for the community room part of the fire station project. ORS 294.326(3) allows the governing body to declare the existence of an unforeseen occurrence or condition that could not have been foreseen at the time of the preparation of the budget.

RECOMMENDATION:

The John Day City Council adopts Resolution No. 15-750-15.

TO: John Day City Council

FROM: Peggy Gray, City Manager

DATE: December 4, 2015

SUBJECT: Discuss for Adoption Resolution No. 15-751-16, a Resolution Establishing Water Rates, Deposits, and Other Related Charges

Attachments:

- Resolution No. 15-751-16
- Utility Expense Analysis – Water Fund

BACKGROUND:

Resolution No. 15-751-16, a resolution establishing water rates, deposits, and other related charges proposes to raise our current water rates for residential customers from \$33.00 to \$35.00, a \$2.00 rate increase per month beginning January 1, 2016.

As per conversations with the City's Auditor Kent Bailey of Guyer & Associates, it is necessary to raise water/sewer rates each year in order to keep up with the cost of inflation and to put funds into our reserve account for future repairs and improvements.

The City of John Day had a net increase in water of approximately \$29,000 in 2013; \$75,000 in 2014; and \$62,000 in 2015. However, depreciation expense for the water averaged \$130,000 for the past three years. The City needs to think about having enough money to take care of our fixed assets; one way of doing that is to fund the City's depreciation. In our water fund, we haven't been funding our depreciation by about half. This is the basis for a rate increase, when equipment wears out in the water department; we don't have the money to replace it.

This resolution also proposes increasing our Industrial (Bulk) Rate for Nondomestic Use (Section I. D) to \$0.00533 per gallon (currently \$0.00470 per gallon). As you can see from the attached spreadsheet prepared by Anna Bass of Oster Professional Group, last fiscal year it cost the City \$5.33 to produce 1,000 gallons of water. The City is producing less water compared to the previous year which leads to higher production costs.

Mr. Bailey will be present at this council meeting and will speak directly on this subject.

RECOMMENDATION:

The John Day City Council adopts Resolution No. 15-751-16.

TO: John Day City Council

FROM: Peggy Gray, City Manager

DATE: December 4, 2015

SUBJECT: Discuss for Adoption Resolution No. 15-752-17, a Resolution to Establish Sewer Service and Connection Charges

Attachments:

- Resolution No. 15-752-17
- Utility Expense Analysis – Sewer/Joint Sewer Funds

BACKGROUND:

Resolution No. 15-752-17 proposes a \$2.00 increase to the base sewer rate. This is basically the same scenario as in the water fund. However, the sewer fund had a net increase of approximately \$46,000 in 2013; \$100,000 in 2014; and \$56,000 in 2015. Our depreciation expense for sewer averaged about \$60,000 for that period. So we are covering our depreciation costs within the sewer fund; but the problem is when you look at our total accumulated depreciation in the sewer fund which was \$1,839,093 last year with approximately \$600,000 in cash to replace those depleted assets. So we're about \$1.2 million short; not even taking into account that we need to replace our wastewater treatment plant.

Last year our City Auditor Kent Bailey stated in his audit report to the Council that you could wait to raise the sewer rates until you start to build the treatment plant or you could start building up some reserves. We will probably have to borrow money to build a new treatment facility; however, for every dollar that we have available to put down towards the project, Mr. Bailey stated, will save us \$2.00 - \$2.50 in interest as you pay for the project. Basically what we save now; saves us money in the future.

The decision the Council needs to make is now or later, the longer you put it off the more it's going to cost in the future. Mr. Bailey informed the Council that even if we weren't going to build anything in the future, he suggested raising the sewer rates because we're about \$1.2 million behind the curve in just replacing what we have in the ground right now.

This resolution also includes an increase in Commercial Septic Tank or Port-A-Potty Dumping (Section I. 2. D). The City has not increased the commercial dumping rate since 2003, when we increased it to \$0.10 per gallon. We are proposing increasing the rate to \$0.30 per gallon. With the cost of PERS, insurance, depreciation, it is easily justifiable.

RECOMMENDATION:

The John Day City Council adopts Resolution No. 15-752-17.

TO: John Day City Council
FROM: Peggy Gray, City Manager
DATE: December 4, 2015
SUBJECT: Other Business and Upcoming Meetings
Attachments:

- LOC Bulletins
- Quarterly Staff Report
- Letter to Louis A. Yost, US Board on Geographic Names

OTHER BUSINESS:

1. Attached are the November 13th and 20th LOC Bulletins for your information and review.
2. Attached is my quarterly staff report for your review and information.
3. Attached is the letter to Louis A. Yost, Executive Secretary for the US Board on Geographic Names, I will have the original ready for signatures at this council meeting. This letter supports replacing the redundant use of the word “squaw” on creeks, meadows and springs in Grant County.

UPCOMING MEETINGS:

December 11, 2015	6 – 9:00 p.m. Grant County Airport	Public meeting on the Blue Mtn. Forest Plan Revision
December 22, 2015	7:00 p.m. Council Chambers	Regular City Council Meeting Canceled due to Christmas Holiday
December 25, 2015	Christmas Holiday	City Hall Closes at noon on December 24 th
January 1, 2016	New Year’s Holiday	City Hall Closed
January 12, 2016	7:00 p.m. Council Chambers	Regular City Council Meeting