

John Day to save \$280,000 with loan payment plan

By Richard Hanners
Blue Mountain Eagle



Nick Green

The city of John Day intends to save \$280,000 by paying off loans early.

On Dec. 12, the John Day City Council unanimously approved one of four options for consolidating two Public Works Fund loans through Business Oregon's Infrastructure Finance Authority.

The city received an offer from Washington Federal, the same lending institution that originated the bond for the city's new fire station, to consolidate the two loans at interest rates ranging from 2.34 percent to 2.49 percent.

The city's Budget Committee had approved a recommendation during the fiscal year 2018 process to accelerate payments on a loan for the industrial park near the airport by \$20,000 and on a loan for the West End Water System improvement project by \$100,000.

The chosen option will save the city \$283,060 but includes a six-year call, at which time the city must make a bullet payment of \$720,000 to pay off the entire loan. The city can cover the cost of the payment by saving \$120,000 a year, which fits into the Budget Committee's plan for the loans, Green said.

In other council news:
• According to a 2017 financial audit by Guyer & Associates, the city's total net position of assets over liabilities increased by \$384,332 over the year, "a modest but positive increase," Green said.

The increase largely was due to revenue from the solar eclipse event, receipts from the U.S. Forest Service and the value of the shop building acquired through the purchase of the Oregon Pine property.

CPA Kent Bailey issued a "clean audit" but warned the council about estimates for Public Employees Retirement System liabilities, which were "all over the

board." He noted that just a 1 percent change in market interest rates could dramatically increase PERS liabilities.

PERS liabilities.

"Trust me, we're in the good part of the cycle now," he warned.

City expenditures totaled \$2.5 million, with 23 percent to sewer, 19 percent to water, 17 percent to emergency services, 17 percent to police, 10 percent to streets, 7 percent to fire and 7 percent to administration.

The council also unanimously approved a resolution to address \$3,950 in excess expenditures for the sewer fund's capital outlay reported in the audit. Green said the city's estimate of closing costs and title fees in May for the acquisition of the Oregon Pine property were off by about 1 percent of the \$520,640.

The resolution discloses the budget violation to the Oregon Secretary of State and provides a plan of action to ensure future budget estimates do not exceed budgeted amounts.

"We'll need more of a cushion if we do future property acquisitions, which I don't expect," Green said.

• The city received \$4,945 in additional recreational marijuana tax revenue from the state.

• The council met in executive session to discuss a performance review of City Manager Nick Green and to discuss ongoing negotiations of proposed acquisition, exchange or liquidation of public investments. News media representatives were allowed to attend but cannot report on any of the deliberations during the executive session.

• The council's next meeting is Jan. 9. John Day will host the League of Oregon Cities Region 8 Small Cities Meeting on Jan. 18.

County ratifies creation of broadband coalition

County, John Day and Seneca will direct new network

By Richard Hanners
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Following a second spirited hearing, the Grant County Court approved an ordinance ratifying the creation of the Grant County Digital Network Coalition Dec. 13. The vote was 2-1, with Commissioner Jim Hamsher opposed.

With Prairie City and Canyon City not participating in the coalition, Grant County could be on the hook for 70 percent of future costs, Hamsher said. He said he wanted to see the final version before he could vote in favor.

County Judge Scott Myers reminded him that "this is the final version" — a memorandum of understanding will be presented later with more details about the responsibilities of Grant County, John Day and Seneca in constructing and operating a broadband network in the county. The ordinance will go into effect 90 days after approval by the court.

Opponents speak

Sixteen people addressed the court on the matter on Nov. 22, with 13 in support of the ordinance and one opposed. This time, 21 people spoke, with 13 opposed and six in support.

Dan Driscoll, speaking on behalf of Grant County



Scott Myers



Jim Hamsher

Farm Bureau President Jeff Thomas, said the bureau supports improved internet — but not if it means the government will compete with private enterprise. Oregon Telephone Corporation and CenturyLink can provide broadband to many city residents, the bureau said, while rural residents could be served by satellite.

Noting that the broadband plan had divided people across the county, Shaun Robertson criticized the county for not performing its due diligence and conducting all the necessary planning ahead of time.

While he commended John Day City Manager Nick Green for securing \$1.8 million for the project, Robertson said he wanted the court to delay a vote on the "half-cooked" idea.

"We only have one shot at this," he said, adding that if the network can't help rural residents in Long Creek and Monument, "it will be a mistake."

Elaine Smith agreed that the network needed to serve Long Creek and Monument. She called the broadband project "pie in the sky" and claimed everyone someday will be served by satellite.

Pete Hettinga presented the court with a spreadsheet

estimating costs to construct and operate a broadband network in the county based on information he obtained from Ortelco and the internet. He claimed the cost to run a cable from Burns to John Day would be \$5 million.

Hettinga said the proposed project was "not worth doing" and "not necessary." He suggested spending the \$1.8 million John Day will receive from the state to extend existing fiber in Canyon City south to Seneca — and not any further. He also wanted any county expenditure for the project to be presented to the voters.

Harriet Crum claimed the city of John Day was trying to get rural residents to pay for a project that would benefit only city residents.

Ken Brooks said he was a large taxpayer in Fox, and although he supported improved internet access, he was concerned county taxpayers could be stuck with the bill. He wanted to see the broadband benefits extended beyond the John Day area to Long Creek and Monument.

Support and response

Both Shannon Adair and King Williams said Grant County needed to have a seat at the table and to be involved in how the broadband network was developed. Haley Walker took note of all the "speculation" and pointed out that the county could pull out of the agreement at any time.

Green responded to the

comments by noting that Long Creek and Monument were never offered a chance to join the coalition. Running broadband to the northwest part of the county was "a tough nut to crack," he said.

He also said the Grant County Internet Task Force — a working group that preceded the new coalition — has talked with Ortelco and CenturyLink four or five times. The city of John Day has been designated the lead agency to receive the state funds, but how the money will be spent will be determined by members of the coalition, he said.

Myers agreed with Green, noting that the task force has talked to the companies "from the start." He also said that the ordinance says nothing about taxes or the county investing any money in the proposed network.

"We have not been reckless," he said, adding, "It's time to get things moving."

Commissioner Boyd Britton agreed it was time to move forward.

"Grant County will not be obligated to anything," he said, adding, "Nothing will be done in the back room."

Britton said the county has been looking at ways to get cellphone service to Long Creek and Monument for a long time without success. He complimented Green on finding the money for the broadband network and warned of the consequences of not joining the coalition.

"If you're not at the table, then you're the main course," Britton said.

Grant County amateur radio operators licensed

From left, Grant County's newest licensed amateur radio operators Ron Flores, Mariah Skidmore, Michael Shockley, Barb Dole and Ted Williams passed their Technician Class Amateur Radio License examination Dec. 4. This is the first time that groups of people have taken the FCC-approved exams in Grant County. With the encouragement of the Grant County Amateur Radio Club, Rick Allen, pictured in the background, held classes for four consecutive weeks. These five people, once their call signs are issued by the FCC, will be able to use local, regional and other repeaters to communicate in cases of emergencies.

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