

**John Day City Council  
October 28, 2014  
7:00 p.m.  
Council Chambers  
AGENDA**

1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF CITY COUNCIL MINUTES OF SEPTEMBER 9, 2014.**
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 ADOPTION ORDINANCE NO. 14-162-03, AN ORDINANCE OF THE CITY OF JOHN DAY ESTABLISHING A TAX ON THE SALE OF MARIJUANA AND MARIJUANA-INFUSED PRODUCTS**

Attachments:

  - Measure 91 Memorandum from City Attorney Jeremy M. Green and Danielle Lordi of Bryant, Lovlien & Jarvis, P.C.
  - Ordinance No. 14-162-03
6. **DISCUSS FOR ADOPTION RESOLUTION NO. 14-730-16, A RESOLUTION OF THE JOHN DAY CITY COUNCIL ESTABLISHING TAX RATES FOR THE SALE OF MARIJUANA AND MARIJUANA-INFUSED PRODUCTS WITHIN THE CITY OF JOHN DAY**

Attachment:

  - Resolution No. 14-730-16
7. **DISCUSS FOR ADOPTION RESOLUTION NO. 14-731-17, A RESOLUTION TO DECLARE ACCOUNT UNCOLLECTIBLE AND TAKE OFF THE BOOKS AS RECEIVABLE**

Attachment:

  - Resolution No. 14-731-17
8. **REVIEW AND AWARD CONTRACT FOR GEOTECHNICAL SERVICES FOR THE JOHN DAY FIRE STATION REPLACEMENT PROJECT**

Attachment:

  - Request for Proposals (RFP) to Provide Geotechnical Services for John Day, Oregon Fire Station Replacement Project
9. **DISCUSS REQUEST FROM TIMBER TRUCKERS PARADE COMMITTEE**

Attachment:

  - October 18, 2014 letter from Timer Truckers Parade Committee

- 10. DISCUSS RESCHEDULING THE NOVEMBER 11, 2014 REGULAR CITY COUNCIL MEETING BECAUSE OF VETERANS DAY HOLIDAY; CANCELING THE NOVEMBER 25, 2014 COUNCIL MEETING BECAUSE OF THE THANKSGIVING HOLIDAY AND THE DECEMBER 23, 2014 BECAUSE OF THE CHRISTMAS HOLIDAY**

**OTHER BUSINESS:**

**6. OTHER BUSINESS AND UPCOMING MEETINGS**

Attachments:

- LOC Bulletins
- September 29, 2014 letter from Clay Johnson
- Electronic message from Yvette Rhodes of the Ford Family Foundation

**ADJOURN**

**TO:** John Day City Council  
**FROM:** Peggy Gray, City Manager  
**DATE:** October 24, 2014  
**SUBJECT:** Presentation of Employee Recognition Certificate

**BACKGROUND:**

Mayor Lundbom will present Police Chief Richard Gray an employee recognition certificate for 10 years of dedicated service to the City of John Day and the John Day Police Department.

**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** October 24, 2014

**SUBJECT:** Discuss for Adoption Ordinance No. 14-162-03, an Ordinance of the City of John Day Establishing a Tax on the Sale of Marijuana and Marijuana-Infused Products

Attachments:

- Measure 91 Memorandum from City Attorney Jeremy M. Green and Danielle Lordi of Bryant, Lovlien & Jarvis, P.C.
- Ordinance No. 14-162-03

**BACKGROUND:**

On October 2, 2014 I forwarded an electronic message from City Attorney Jeremy Green to the John Day City Council regarding Measure 91- Local Marijuana Taxing Ordinance. Measure 91 (known as the Oregon Legalized Marijuana Initiative and also as the Control, Regulation, and Taxation of marijuana and Industrial Hemp Act of 2014) is on the November 4, 2014 statewide ballot. The following consists of a few initiative highlights:

- The initiative legalizes recreational marijuana for persons age 21 and older, allowing possession of up to eight ounces of “dried” marijuana and up to four marijuana plants.
- The initiative permits the manufacture and sale of marijuana subject to state licensing, regulation, and taxation.
- OLCC will be tasked with regulating marijuana sales.
- According to Section 42, the state will have the exclusive right to tax marijuana. Section 58 provides that the provisions of the measure supersede and repeal inconsistent municipal charters and ordinances.
- Section 84 provides that the measure will take effect 30 days after it is approved by the voters.

City Attorney Green noted there had been significant discussion among municipal attorneys concerning whether cities should impose their own local tax on marijuana. Mr. Green cited a few cities that had recently presented this issue to their councils; some cities decided to impose a tax while other cities have decided not to impose a tax.

City Attorney Green stated each city will have to decide for itself whether to enact a local tax. He explained the time to do so is now; if the measure passes, Section 42 will prohibit municipalities from enacting a local tax ordinance (which may or may not withstand legal scrutiny). City Attorney Green stated if we are interested in pursuing the taxing ordinance, prudence suggests that the ordinance be adopted this month (before the November 4<sup>th</sup> general election).

Upon receiving the Council's comments; it was the general consensus of the John Day City Council to pursue enacting a local marijuana tax and it was decided to present a draft template for the Marijuana Tax Ordinance at our October 14, 2014 for council discussion. However, due to a lack of a quorum the October 14, 2014 John Day City Council meeting was canceled.

On October 8, 2014 I forwarded City Attorney Jeremy Green's draft template for the Marijuana Tax Ordinance and Marijuana Tax Resolution via email to the John Day City Council for your review and comments. At that time I asked you to please review the materials Jeremy had prepared and to please send your comments to me and only to me and not to discuss this issue with your fellow city councilors. Once I receive your comments, Jeremy and I would compile the information and present a final document at the October 28, 2014 council meeting.

On October 13, 2014 City Attorney Jeremy Green sent a memorandum concerning Measure 91 and local marijuana tax legislation which I forwarded directly to the John Day City Council. I have included a copy of the memorandum in your council packet for your convenience.

On October 20, 2014, the City of John Day's Marijuana Tax Ordinance and accompanying resolution was forwarded to the John Day City Council. Based upon the City Council's comments, the resolution establishes a tax rate for medical marijuana at 5% of the gross taxable sale amount paid to the seller of marijuana and/or marijuana infused products by a registry identification cardholder. It also establishes a tax rate of 10% of the gross taxable sale amount paid to the seller of marijuana and/or marijuana-infused products by any person who is not purchasing marijuana under the Oregon Medical Marijuana Program.

**RECOMMENDATION:**

Ordinance No. 14-162-03 was properly posted and distributed in accordance with the City's Charter and applicable code requirements. The Ordinance needs to be considered and approved by the John Day City Council. The resolution establishing the tax is presented as your next council action item.

I recommend the John Day City Council adopts Ordinance No. 14-162-03.

**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** October 24, 2014

**SUBJECT:** Discuss for Adoption Resolution No. 14-730-16, a Resolution of the John Day City Council Establishing Tax Rates for the Sale of Marijuana and Marijuana-Infused Products within the City of John Day

Attachment:

- Resolution No. 14-730-16

**BACKGROUND:**

Resolution No. 14-730-16 is a resolution to establish tax rates for the sale of marijuana and marijuana-infused products within the City of John Day as authorized by Ordinance No. 14-162-03; specifically Section 4. Tax Imposed which states “There is hereby levied and will be paid a tax by every seller exercising the taxable privilege of selling marijuana and marijuana-infused products as defined under this Ordinance. The amount of tax will be based on the seller’s gross taxable sales and will be established from time to time by resolution of the city council.”

The two sections of Resolution No. 14-730-16 that establishes the tax rates are as follows:

2. Pursuant to Section 4 of the Ordinance, the City Council establishes a tax rate of five percent (5%) of the gross taxable sale amount paid to the seller of marijuana and/or marijuana-infused products by a registry identification cardholder.

3. Pursuant to Section 4 of the Ordinance, the City Council establishes a tax rate of ten percent (10%) of the gross taxable sale amount paid to the seller of marijuana and/or marijuana-infused products by any person who is not purchasing marijuana under the Oregon Medical Marijuana Program.

The above percentages were established based upon the City Councilor’s comments after reviewing the materials sent by City Attorney Jeremy Green. As of October 13, 2014, 19 Oregon cities have adopted local marijuana tax legislation (ordinances). As set forth in Exhibit B of City Attorney Jeremy Green’s memorandum dated October 13, 2014; most of these cities have imposed a tax of 10% on recreational marijuana and 0% or 5% tax on medical marijuana. City Attorney Jeremy Green recommended the John Day City Council consider following the statewide local marijuana tax data.

**RECOMMENDATION:**

The John Day City Council adopts Resolution No. 14-730-16.

**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** October 24, 2014

**SUBJECT:** Discuss for Adoption Resolution No. 14-731-17, a Resolution to Declare Account Uncollectible and Take Off the Books as Receivable

Attachment:

- Resolution No. 14-731-17

**BACKGROUND:**

Resolution No. 14-731-17 is a resolution to declare account uncollectible and take it off the books as a receivable and turns it over to the collection agency.

**RECOMMENDATION:**

The John Day City Council adopts Resolution No. 14-731-17, a Resolution to declare account uncollectible and take off the books as receivable.

**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** October 24, 2014

**SUBJECT:** Review and Award Contract for Geotechnical Services for the John Day Fire Station Replacement Project

Attachment:

- Request for Proposals (RFP) to Provide Geotechnical Services for John Day, Oregon Fire Station Replacement Project

**BACKGROUND:**

City of John Day is seeking the professional services of an experienced geotechnical firm to provide soils investigations and resulting recommendations required to successfully complete all phases of the Project, in accordance with the City of John Day and Grant County requirements.

The City of John Day Public Contracts Regulations under 1-13-8 B; Public Improvement Contract, subsection 1(b) Non-transportation Public Improvements Up To One Hundred Thousand Dollars may be awarded using an informal solicitation for quotes. In order to expedite the process, it was decided to send out the RFP as soon as possible. Once proposals were received and reviewed; staff would bring a recommendation to the City Council for review and award the contract.

On October 2, 2014 I electronically sent the attached RFP to nine qualified firms seeking geotechnical services for the John Day Fire Station Replacement Project. The original intent was to have the proposals received by October 9, 2014 and reviewed prior to the October 14, 2014 city council meeting in order for the John Day City Council to award the contract. However, due to a lack of a quorum the October 14, 2014 council meeting was canceled.

On October 10, 2014 I electronically sent out a revised RFP to the same nine qualified firms extending the deadline to October 22, 2014 and (in an effort to reduce costs) informed the firms that with 48 hour notice, the City of John Day will provide locates and be available to excavate test pits. It was noted that the revised RFP replaced and superseded the original RFP that was previously sent out on October 2, 2014.

We received proposals for Geotechnical Services from the following four firms:

- Carlson Geotechnical (CGT), Bend, OR
- Materials Testing & Inspection (MTI), Boise, ID
- Northern, Inc., Hermiston, OR
- Professional Service Industries, Inc. (PSI)

**RECOMMENDATION:**

As of the time of this agenda, we have not had time to review all the proposals for completeness in order to make a recommendation to the City Council for the award of the contract. We will review the proposals with Pinnacle Architect and Civil Engineer Joe Hitz and will have a recommendation to the Council by the time of the City Council meeting.



**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** October 24, 2014

**SUBJECT:** Discuss Request from Timber Truckers Parade Committee  
Attachment:

- October 18, 2014 letter from Timer Truckers Parade Committee

**BACKGROUND:**

This year's Timber Truckers Light Parade is scheduled for Saturday, December 13, 2014. Once again the Timber Truckers Parade Committee is asking for a donation from the City of John Day. In the past we have donated \$100 from our Community Promotions line item.

**RECOMMENDATION:**

This has been a very successful family event. I recommend the John Day City Council donate \$100 to the Timber Trucker Light Parade.

**TO:** John Day City Council

**FROM:** Peggy Gray, City Manager

**DATE:** October 24, 2014

**SUBJECT:** Discuss rescheduling the November 11, 2014 Regular City Council Meeting because of Veterans Day Holiday; Canceling the November 25, 2014 council meeting because of the Thanksgiving Holiday and the December 23, 2014 because of the Christmas Holiday

**BACKGROUND:**

The John Day City Council's next regularly scheduled council meeting falls on Tuesday, November 11, 2014 which is also Veterans Day an official holiday for the City of John Day. I discussed this with Mayor Lundbom, who also has a conflict with November 11<sup>th</sup>; we thought it would be best to reschedule the Tuesday, November 11, 2014 to Tuesday, November 18, 2014.

The second John Day Council meeting falls on the week of the Thanksgiving Holiday; in the past the John Day City Council has typically canceled the second council meeting of the month in November and December due to the holidays.

**RECOMMENDATION:**

I recommend the John Day City Council reschedule the November 11, 2014 regular city council meeting to November 18, 2014 at 7 p.m. and consider canceling the November 25, 2014 and the December 23, 2014 council meeting due to the holidays.

**TO:** John Day City Council  
**FROM:** Peggy Gray, City Manager  
**DATE:** September 4, 2014  
**SUBJECT:** Other Business and Upcoming Meetings  
Attachments:

- LOC Bulletins
- September 29, 2014 letter from Clay Johnson
- Electronic message from Yvette Rhodes of the Ford Family Foundation

**OTHER BUSINESS:**

1. Attached are LOC Bulletins for your information and review.
2. Please see attached letter from Clay Johnson updating the Council about his trip to Nashville.
3. Please see the electronic messages from Yvette Rhodes of the Ford Family Foundation. We have made it to stage 2 of their application process for our community room grant application; the next step is to assign our request with a meeting of their board. Since our request is for \$200,000, it must go before their entire board and they can't get it before them until their February 20, 2015 board meeting. Ms. Rhodes said another option would be to reduce our request to \$150,000, as requests below \$150,000 or less only need to go before a small committee and they could potentially do that on 12/5/2014. As you can see from my response with anticipated construction to begin in March 2015, a February 2015 board meeting will work for us and we requested to go for the entire \$200,000.
4. I have been working on the invitation to bid for the CM/GC for the new fire station with Paul Taylor of Bryant, Lovlien and Jarvis, Peter Baer of Pinnacle Architecture and Tim Clem of Pinnacle Architecture. Potentially the schedule is to send out the RFP this week, proposals due November 19, 2014, Selection Team interviews proposers on December 1, 2014, City/Rural awards contract on December 9, 2014. We anticipate breaking ground March 2015 with construction completed by October 2015.

**UPCOMING MEETINGS AND EVENTS:**

October 29, 2014	11:00 a.m. – 2:00 p.m. Baker City	Eastern Oregon City Manager's Meeting
November 18, 2014	7:00 p.m. Council Chambers	Rescheduled City council meeting
November 19, 2014	CM/GC proposals Due	

