

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

May 24, 2016

Adjourned Meeting

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Steve Schuette, Council President
Paul Smith, Councilor
Louis Provencher, Councilor
Gregg Haberly, Councilor
Donn Willey, Councilor
Lisa Weigum, Councilor

COUNCILORS ABSENT:

STAFF PRESENT:

Peggy Gray, City Manager
Richard Gray, Police Chief
Valerie Luttrell, Dispatch Manager
Lance Woodcock, Public Works Director

GUESTS PRESENT:

Anna Bass, Oster Professional Group
Mark Webb, Mt. Vernon
Brian Hubbard, John Day
Sean Hart, Blue Mountain Eagle

Agenda Item No. 1 – Open and Note Attendance

The John Day City Council meeting opened at 7:00 p.m. Mayor Ron Lundbom noted that all Councilors were present.

Agenda Item No. 2 – Approval of City Council Minutes of May 10, 2016

The minutes of the May 10, 2016 were included in the agenda packets and were presented for the Council's approval.

Councilor Steve Schuette made a motion to approve the minutes of May 10, 2016 as presented. Councilor Paul Smith 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. Brian Hubbard requested to be on the agenda to discuss the City's tree problem. Mayor Lundbom stated he would add Mr. Hubbard before Action Item #9 (executive session). Mayor Lundbom informed the Council that they would also be discussing the 2017 eclipse later in the meeting. Lastly, Pinnacle Architecture has submitted a change order which the Council will be discussing later in the meeting.

Agenda Item No. 4 – Public Hearing to discuss the budget for Fiscal Year 2016-2017 as approved by the John Day Budget Committee

Mayor Lundbom asked the Council to open the public hearing on the budget for Fiscal Year 2016-2017.

Councilor Louis Provencher moved to open the public hearing on the budget for Fiscal Year 2016-2017. Councilor Steve Schuette seconded the motion. The motion passed unanimously, the public hearing opened at 7:02 p.m.

There were no members of the public present for comments; Mayor Lundbom left the public hearing open and continued onto the next action item.

Agenda Item No. 5 – Presentation from Mark Webb, Blue Mountain Forest Partners

Mayor Lundbom introduced Executive Director Mark Webb for Blue Mountain Forest Partners (BMFP). Mr. Webb stated he wanted to share some of the work that the BMFP is doing for several reasons; and there is some angst on how the Forest Service is handling the aftereffects of the Canyon Creek Complex Fire and there is also concern about how different groups interact with the Forest Service about land management.

Mr. Webb stated BMFP works with the Forest Service and with a diverse group of individuals. Included in the Council packets were white papers explaining BMFP's history; mission statement; the 10 Year Stewardship Contract and the benefits it brings to the local communities. Also included was a map depicting the areas of the forest that BMFP is working on.

Mr. Webb gave a history from 2006 to 2015; this is when Grant Western was shutting down, Prairie Wood would shut down in three years, timber supply was an issue and the environmental community effectively stopped all active management on the forest. The industry was suffering and the community was suffering. Mr. Webb stated the environment community realized some of the mistakes that they were making in terms of shutting down active management. They were starting to lose the old growth that they were working so hard to preserve. Into this mix where people weren't getting along, a few people decided to get together to see if there wasn't a better way and BMFP started out of that.

BMFP membership involves the public, environmentalists, conservationists, industry folks, community members, elected officials and ranchers. Mr. Webb stated they do have people from the west side that participate in this group as well as urban environmentalists that help move things forward. These people sit at the table with industry people, loggers...it is a very diverse group.

At the beginning there wasn't much they could agree upon; however, they did agree on two things. They all wanted a healthy forest and healthy communities and there was a lot of disagreement about what that meant but the fact that they could agree upon those two broad goals provided enough for them to get together.

Mr. Webb read the BMFP mission: “Blue Mountain Forest Partners is a diverse group of stakeholders who work together to create and implement a shared vision to improve the resilience and well-being of the forests and communities in the Blue Mountains. Without the social acceptance of appropriate forest management, little will change and to engage in advocacy, science, and economic education to advance achievement of forest and community resilience.”

Mr. Webb stated that is what the collaborative is about – one way to define what it means to have healthy forests and healthy communities was to start letting science form our conversations. Mr. Webb stated frankly, both the environmental community and the industry had to change some of their views on what healthy forests and healthy communities were. Given that mission statement, given the information that science was providing and given the various interest groups, the BMFP was able to move forward and start getting some agreements on projects.

First project: Dad’s, in the upper John Day Basin; 3 years to reach agreement on 7,000 acres. Now: Agreement reached on 30,000 to 40,000 acre projects in half the time, annually.

2012: BMFP was awarded a Collaborative Forest Landscape Restoration Program (CFLRP) grant worth \$2.5 million annually through 2019 (Joint effort by Harney County Restoration Collaborative, Malheur National Forest, and BMFP).

2015: Original CFLRP project boundary expanded to include over 870,000 acres for treatment with an additional \$1.5 million award, for a total \$4 million investment in the Malheur.

Approach: Socially developed, scientifically informed treatments that target restoration and forest health in a manner that sustains or enhances the socio-economic vitality of communities in Grant and Harney Counties. Mr. Webb stated this is where we received the buy-in from the environmental community.

Success: Increased trust and understanding have resulted in significant increases in the pace, scale, and quality of work on the Malheur National Forest; provided timber volumes to avoid mill closure; set the stage for additional infrastructure development in the area.

Summary: By working with a variety of interested parties BMFP has been able to retool attitudes and approaches to public land management that have resulted in significant benefits to Grant County.

Mr. Webb stated there is an incredible amount of bio-mass on the forest that needs to be removed if we want to avoid the kind of fires that we had last year. That costs money and there is no value associated with it, so how do you take care of it. The volume that we take off in timber just won’t pay for that. Over the last 5-10 years there has been a lot of effort to develop a bio-mass market in a way that will utilize its way out of the woods. Mr. Webb explained torrefaction (torrefied biomass-biofuel to replace coal) to the City Council as a way to turn woody biomass into solid biofuel for use in biomass boilers or as a substitute for coal in coal-fired boilers. People are working with Portland General Electric (Boardman plant, they made a commitment to go off of coal; they are looking at this torrefied material to see if it could take its place. If it does, they are going to locate at least one plant in eastern Oregon and maybe more. Mr. Webb stated they are working hard to see that at least one of the plants is located in Grant County. He said it’s because of the success of the collaborative, it’s because of the capacity we still have with the mills and the logging contractors; we have all of the elements that people would be willing to invest in a plant of this size and cost in Grant County. Preliminary studies are taking place about locating a torrefaction plant here.

Mr. Webb referred the Council to the second page that listed the benefits to local communities from the 10 year Stewardship Contract. He stated there is a lot of social media out there that are misreporting and

misrepresenting things. Mr. Webb noted that Grant School District #3 has experienced a halt to its nearly 15-year decline in enrollment, from a high of 990 students to a low of 587 students, and in fact, experienced a 4.8% increase to 615 students. This has resulted in additional local school funding coming from the State of Oregon. Home sales within Grant County have increased by 200% since 2012, the year before the Stewardship Contract began, unemployment numbers in Grant and Harney counties have dropped from 14% to 11.7% and 8.1% and 6.8% respectively.

Mr. Webb stated indirect and induced benefits have been realized in all sectors of our economies, resulting in overall increased employment, increase wages and benefits to many employees, increased school enrollment, and increases in home sales.

Mr. Webb noted the additional investments Iron Triangle has made to meet the Stewardship Contract wage rates; Malheur Lumber has maintained operations, increased employment, and is moving forward with increasing capacity through improvements to the boilers based on the timber supply that will result from the Stewardship Contract; direct benefits include an increased number of jobs and increased salaries associated with these jobs. The Malheur National Forest hired an additional 48 permanent employees and scores of seasonal staff to help ensure it meets its project planning, development and administrative obligations.

Mayor Lundbom asked what his group thought about the remnants of the fire, shouldn't that be cleaned up? Mr. Webb responded there are several reasons why it's not being cleaned up. The number one reason is that the majority of the fire is within the wilderness area and it is illegal to go in there and clean it up. Mr. Webb stated it was his understanding that in the fire there is approximately 10,000 acres that fall under general forestry. Mr. Webb explained there are management designations coupled with the wilderness and it is illegal to do anything with it, whether it makes sense or not.

The other part of it is that salvage logging or post fire treatments have been extremely contentious for both the environmentalists and the conservation community in the past. Mr. Webb stated we are actively working on this and we now have buy-in (not support) to allow salvage logging to go forward on a part of the general forest management that fits within the scope. Mr. Webb stated they have gotten scientists and researchers to develop treatments that are going to address the habitat concerns that other individuals have, but they are going to do it in a way that is economically feasible. Mr. Webb stated we will be getting wood out of this for the local mills and they are working on getting more salvage logging accomplished in a way that addresses forest health and community needs.

Councilor Gregg Haberly stated part of that is so dry that if lightning hits it, it will come right down through there again. Mr. Webb stated he had no argument and stated it was frustrating for the USF because the wilderness boundary comes so close to private land and houses, it gives no room for operations or to do preventative management or direct initial attack because of the wilderness management designations.

Mayor Lundbom stated in the past (1980 – 1990) the county received timber receipts from the Forest Service. Is this going to happen with the Stewardship Contract, will it bring monies back into the county. Mr. Webb stated in the past there were timber sales that were sold to the highest bidder, the profit made on the timber sale would go to DC, overhead would be taken off, the rest of the money would come back here to fund other timber sales as well as thinning, hand piling and restoration work. However, with the Stewardship Contract (and there are different kinds of Stewardship contracts) typically, are contracts made from the value of the timber that you take off is less than the value of the services that you are doing on the ground. Mr. Webb stated there is so much back log in terms of restoration work that needs to be done, they're not making the kind of money that they did in the past when they were focused on the more mature trees, the harvest was higher, and the market was better. The county is not getting a cut

from the Stewardship Contract, but they are still getting money from the Secured Rural School fund. Mr. Webb noted the county is still getting money just not in the same way. Mr. Webb stated there is more going on in Grant and Harney counties than any other county in eastern Oregon.

Mr. Webb stated BMFP meets the third Thursday of every month at the Airport and everyone is welcome. What is important to us is that we have declaration of commitment; there is a lot of talking, a lot of science and a lot of help from the Forest Service.

Mayor Lundbom thanked Mr. Webb for his presentation and said it was well presented.

Agenda Item No. 6 – Discuss for adoption Resolution No. 16-755-02, a resolution of the City of John Day, Grant County, Oregon, declaring the City’s Election to receive state revenue

City Manager Gray stated State Revenue Sharing Law, ORS 221.770 requires cities to pass an ordinance or resolution each year stating that they want to receive state revenue sharing money. A copy of this resolution must be filed with the Operations Unit of the Department of Administrative Services prior to July 31, 2016 in order for the City of John Day to receive these funds.

Councilor Louis Provencher moved to adopt Resolution No. 16-755-02. Councilor Gregg Haberly seconded the motion, the motion passed unanimously.

Agenda Item No. 7 – Discuss for Adoption Resolution No. 16-756-03, a resolution extending workers’ compensation coverage for coverage year 2016-2017 to volunteers of the City of John Day

City Manager Gray stated this resolution is required annually by City County Insurance Company (CIS) for workers’ compensation coverage to provide for the class of volunteer workers listed on the City’s Volunteer Roster for the John Day Volunteer Fire Department and the John Day Police Department Reserves. This resolution assumes a monthly wage of \$1,000 to be used for public safety volunteers.

Councilor Louis Provencher moved to adopt Resolution No. 16-756-03. Councilor Steve Schuette seconded the motion, the motion passed unanimously.

Agenda Item No. 8 –Discuss for Adoption Ordinance No. 16-168-01, an ordinance establishing criminal history record check policies concerning applicants for employment, appointed volunteers, contractors and those employed by contractors with the City, and volunteers of youth organizations operating within the City of John Day, Oregon and declaring an emergency

City Manager Gray stated Ordinance No. 16-168-01 is an ordinance establishing criminal history record check policies concerning applicants for employment, appointed volunteers etc.

The John Day City Council received a copy of Ordinance No. 16-168-01 at your May 10, 2016 council meeting for your review prior to adoption. A notice of availability was posted as per the requirements of Chapter VIII of the John Day City Charter. The ordinance was also posted on the City of John Day’s website.

City Manager Gray stated during the city manager’s recruitment process, we discovered that the City can do a criminal history check through LEDS purpose code E check, on the city manager applicants only if the city has passed an ordinance that directs the Police Department to run criminal history checks on non-

PD city employment applicants. Since we do not have an ordinance that states this we need to adopt one as soon as possible in order to run criminal history backgrounds on non-police department city employees.

Councilor Steve Schuette moved to have Mayor Lundbom read Ordinance No. 16-168-01 by title only. Councilor Louis Provencher seconded the motion, the motion passed unanimously.

Mayor Lundbom read Ordinance No. 16-168-01 by title only as follows:

Ordinance No. 16-168-01, an ordinance establishing criminal history record check policies concerning applicants for employment, appointed volunteers, contractors and those employed by contractors with the City, and volunteers of youth organizations operating within the City of John Day, Oregon and declaring an emergency.

Councilor Steve Schuette moved to adopt Ordinance No. 16-168-01. Councilor Gregg Haberly seconded the motion, the motion passed unanimously 7 – 0.

Added items to the agenda:

- At this time Mayor Lundbom introduced Brian Hubbard with Family Tree Service. He wanted to speak to the City Council about the hazard trees within the city. He heard the City Council had adopted an ordinance about hazard trees and he wanted to get a scope on that. Mr. Hubbard stated he has a lot of people calling him about hazard trees coming over from their neighbor's property and he felt it wasn't right that these people have to pay to remove the limbs that are coming from other people's property. City Manager Gray stated we updated our ordinance last fall and it makes the property owner responsible for hazard trees and she would be happy to provide a copy to him. Mr. Hubbard stated he would be in to pick up a copy.
- Mayor Lundbom added Change Order #2 from Pinnacle Architect to the agenda. City Manager Gray stated this is for additional costs for the flooring for the community room and for the asphalt concrete for the parking lot. The total is \$12,861.59; however, the Rural Fire District will be reimbursing the City for 46% of the cost.

Councilor Gregg Haberly moved to allow City Manager Gray to sign Change Order #2. Councilor Steve Schuette seconded the motion, the motion passed unanimously.

- Mayor Lundbom informed the Council of a June 1st meeting with the Chamber of Commerce regarding the 2017 solar eclipse. He said it sounds like a big deal and there will be a lot of people in town. Mayor Lundbom stated he was going to try to go. City Manager Gray stated they are looking for a key contact person for each community along with any zoning regulations that are required by each community.
- Mayor Lundbom informed that Council that City Manager Gray wanted to donate a plaque to the John Day Fire Station.
- Mayor Lundbom reported on the Rural Air Service meeting. The minutes of the May 17, 2016 meeting were presented to the Council.

Public Hearing to discuss the budget for Fiscal Year 2016-2017 as approved by the John Day Budget Committee

At this time Mayor Lundbom returned to the public hearing to discuss the budget for fiscal year 2016-2017. Anna Bass of Oster Professional explained the changes the Budget Committee made to the proposed budget:

- Equipment purchases for \$2,000 in the general fund added to the budget for new video equipment technology for the council chambers.
- \$2,000 was subtracted from the general fund contingency line item for the above cost.
- Other changes were in the Water Fund; the Budget Committee increased the debt payment (page 9) by an additional \$10,000 to the principal. This decreases the interfund transfer.
- Same thing in Sewer Fund, the interfund transfer is down because the Budget Committee wanted to put more money toward the debt by an additional \$10,000.
- The Reserve Funds for both water and sewer are decreased because of the interfund transfers. Anna lowered the capital outlay in both of those two funds.

Councilor Paul Smith asked if the change order we just did would affect this budget. Anna stated we will change the appropriations in the current budget; that in turn, will lower our net working capital. Anna explained that it is legal according to Oregon budget law to lower the budget without going back to the Budget Committee.

Councilor Steve Schuette moved to close the public hearing on the budget for fiscal year 2016-2017. Councilor Lisa Weigum seconded the motion, the motion passed unanimously. The public hearing was closed at 8 p.m.

Agenda Item No. 9 – Enter into Executive Session under ORS 192.660(2)(a) to consider the employment of a public officer, employee, staff member or individual agent and ORS 192.660(7)(d) the employment of the chief executive officer, other public officers, employees and staff members of a public body

Mayor Lundbom stated the City of John Day will now meet in executive session. The executive session is held pursuant to ORS 192.660(2)(a) for this session, to consider the employment of a public officer, employee, staff member or individual agent and ORS 192.660(7)(d) the employment of the chief executive officer, other public officers, employees and staff members of a public body.

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)(a) and ORS 192.660(7)(d).

Councilor Donn Willey made a motion to move into executive session under ORS 192.660(2)(a). Councilor Steve Schuette seconded the motion, the motion passed unanimously and the council moved into executive session at 8:04 p.m.

Those attending the executive session included Mayor Lundbom, Councilors Steve Schuette, Donn Willey, Gregg Haberly, Paul Smith and Louis Provencher, Lisa Weigum, City Manager Gray and Sean Hart representing the Blue Mountain Eagle.

Councilor Donn Willey made a motion to move out of executive session and enter back into regular session. Councilor Steve Schuette seconded the motion, the motion passed unanimously. The John Day City Council moved out of executive session at 9:10 p.m.

Agenda Item No. 10 – Enter back into Regular Session

Councilor Steve Schuette moved to appoint Nicholas Green as the new city manager upon a mutually agreed upon employment agreement. Councilor Gregg Haberly seconded the motion, the motion passed unanimously.

Agenda Item No. 11 – Other Business and Upcoming Meetings

1. The LOC Bulletins were included in the council packets and given to the City Council.
2. Councilor Willey informed the Council that he would not be able to make the June 14, 2016 council meeting.
3. Councilor Paul Smith reminded the Council that the Fire Station Open House is on June 4, 2016 from 4 – 6 p.m.
4. Councilor Louis Provencher gave an update on the LOC Regional Meeting about the LOC priorities and the Oregon Joint Transportation Committee meetings that were going to be held around the state.

Adjourn

There being no further business before the Council, Councilor Steve Schuette made a motion to adjourn the meeting. Councilor Donn Willey seconded the motion, the motion passed unanimously. The meeting was adjourned at 9:15 p.m.

Respectfully Submitted:

Peggy Gray
City Manager

ACCEPTED BY THE CITY COUNCIL, JUNE 14, 2016

Mayor Ron Lundbom