

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

August 23, 2016

Adjourned Meeting

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Paul Smith, Councilor
Louis Provencher, Councilor
Steve Schuette, Council President
Donn Willey, Councilor

COUNCILORS ABSENT:

Gregg Haberly, Councilor
Lisa Weigum, Councilor

STAFF PRESENT:

Nicholas Green, City Manager
Monte Legg, Acting Public Works Director
Oren Wyss, Wastewater Treatment Plant Operator
Richard Gray, Chief of Police
Anna Bass, City Recorder, Oster Professional Group

GUESTS PRESENT:

Tasha Marciel, Cutting Edge Salon, EOHV
Rylan Boggs, 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 Councilors Haberly and Weigum were absent and excused.

Agenda Item No. 2 – Approval of City Council Minutes of July 26, 2016

The minutes of the August 9, 2016 were included in the agenda packets and were presented for the Council's approval. Police Chief Gray noted that it was Valerie Luttrell and not himself present. Councilor Provencher requested the minutes be amended to state that it is the 'total eclipse' that allows scientists to study certain phenomenon unavailable in a partial eclipse, and to rephrase his comments to state that "some people" do not appreciate their liberties.

Councilor Schuette moved to adopt the minutes with these amendments. Councilor Willey seconded and the motion passed unanimously.

Agenda Item No. 3 – Appearance of Interested Citizens

Mayor Lundbom welcomed the general public and asked if there is anything they would like to add to tonight's agenda.

Agenda Item No. 4 – Implementing Parking Restrictions in the Downtown Area

City Manager Green provided background information to the Council on the parking issues in the downtown area, specifically on the west side of Dayton Street, and on the Council's authority to implement parking restrictions per the City charter. Councilor Willey stated parking along Dayton has been a problem and that he has spoken with T&H automotive. He asked that we use a third option, which is to communicate with George Hamsher (owner of T&H) about the need to keep vehicles waiting to be serviced off the street. Ms. Marciel stated she has spoken with all of the business owners, and she does not wish to pinpoint him, but he is the one who hasn't changed. All of the other business owners have been understanding that at least one or two spots need to be open for customers visiting stores in the area. Councilor Willey asked that we communicate directly with Mr. Hamsher about the need to free up parking. Councilor Provencher stated his belief that there is a parking limitation on Dayton Street on the north side of Main Street already, but he was unaware of the time limit. Mayor Lundbom asked Ms. Marciel how Mr. Hamsher responded to her request, and she stated his response was that there is nothing he can do about it. She stated that he owns the property across from Grant County Automotive, adjacent to the Cowboy Museum, and asked that he be advised to park there instead of on the street. She said Grant County Automotive also offered to allow local business owners and employees to park in the lot across from TrueValue. Mayor Lundbom asked City Manager Green if he would speak with Mr. Hamsher directly.

City Manager Green will talk with Mr. Hamsher about the parking situation on Dayton Street.

Agenda Item No. 5 – FEMA Overview and Concurrence Form for Floodmap Updates

City Manager stated that the Army Corps of Engineers is now ready to submit their floodplain map updates to FEMA. He said they completed their study in December 2014, and Paul Sclafani with the Corps of Engineers is now prepared to work with us to submit the maps to FEMA for review. He stated the forms provided with the council packet must be submitted to FEMA to proceed to the next step, and that we need to plan on a 2-year timeline to incorporate public comments and changes. The first form is the Letter of Request from our city, the second is the Letter of Map Revision (LOMR) form for FEMA. Councilor Provencher stated his understanding was that before we could sign the request for the community we have to have a public meeting, and that the coordinator for the County (Hilary McNary) said she would set up a single public meeting by August 31st so we don't have to have individual meetings, and then after that meeting the Council can sign the letter. He said the letter states that the community is in support of the change. Councilor Willey asked Councilor Provencher to clarify, and Councilor Provencher stated his understanding was that the single meeting would cover all three cities, and that timeline for holding those meetings is up to us. City Manager Green said he will have to go back and ask Mrs. McNary what her understanding of the process is.

City Manager Green will speak with Mrs. McNary and verify what the correct process is, and Council will table this issue until we have further information.

Agenda Item No. 6 – System Development Charges Annual Report

City Recorder Anna Bass presented the SDC report for FY2016. She stated she missed the payment from the Lenz property during the fiscal year closeout, but she has since recoded it and it is showing in this report. Mrs. Bass identified the sewer SDC balance is \$30,118.06 and the water SDC balance is \$27,071.61, for a total of \$57,189.67 currently in the fund. Mayor Lundbom asked for clarification on how long the City has been collecting SDCs. Mrs. Bass responded since 2009 when the SDC's were implemented.

Agenda Item No. 7 – Wastewater Facility Update

City Manager Green presented a memorandum on the proposal for the new Wastewater Treatment Facility (WWTF). He stated he has had several discussions with Anderson Perry about updating the Wastewater Facilities Plan they completed in 2009. He said the intent behind that would be to do a couple of things: 1) to add hydroponics as an option, since that technology did not exist in 2008 when they did the original study; 2) to add a lagoon system option, which was considered but discounted at the time because of the lack of available land; and this option needs to be revisited as part of the update for wastewater storage; 3) to update the costs since the 2010 dollars will not be relevant in 2017; and 4) to recognize that the population projections were not realistic and do not match the facts, which are that we have experienced two decades of population decline. Green stated that an update to the Plan will give us a better idea of the design options and realistic financing options since our tax base may be half of what they were originally projecting over the life of the 30-year loan. He stated that we need to acknowledge that the population growth they projected in 2008, the exact opposite has happened. For all of those reasons, an update to the Plan is necessary. Green stated there is a \$20,000 Technical Assistance grant available to update the Plan. It is a competitive process, but it's possible that we can get that funding to cover most if not all of the cost of the update.

Green also stated he has spoken with Sustainable Water, the company that designed the WaterHub in Atlanta, and they are intrigued with our proposal. He stated that he has a call scheduled with Sustainable Water for 10:00 on Friday. He said this option essentially privatizes the WWTF, and the City is on the hook to purchase the reclaimed water over a 40-year period. Councilor Schuette asked if they would collect our sewer rates. City Manager Green stated that we would continue to collect the fees, we would just use that money to purchase the reclaimed water instead of to operate the facility. How the City generates its revenue to purchase the water, whether sewer rates or property tax or some combination, is up to us. Councilor Provencher asked if there were any impacts on water rights. Green stated that he did not believe it would, but he would have to ask Sustainable Water how that works. He further stated that this water is an asset we are generating today, it's just going into the percolation ponds for storage, which eventually goes into the river through indirect discharge. He stated that his intention was to monetize this asset by putting it to use in industries like controlled environment agriculture, and he believes that as an enterprise fund we can run it as a for-profit venture, whether as a public private partnership or as a wholly private enterprise or as a public development authority. Councilor Smith asked if this company feels we have the capacity they are looking for in terms of population. Green stated that he does not know, but he has been very transparent with them about our economic situation and the location of the existing plant in a floodplain. He stated they like the story this tells, but they'll need to know all of the facts before they proceed.

Councilor Smith said he appreciated City Manager Green's efforts putting this together, but his question is whether or not we can meet our obligation to repurchase the water and whether we can find a hydroponic market to use that reclaimed water? He referenced the production-scale greenhouses in the memo. Councilor Willey stated there are a lot of question marks that he expects we will have answers to in time, but that he thinks it is time we start thinking outside the box rather than investing millions in a traditional mechanical plant.

Mayor Lundbom asked if something like this will always pass DEQ inspection and whether we'll have a permit issue down the road. City Manager Green stated there are two answers to that question: 1) What are we doing with the water when we're not using it, are we storing it in a 50,000 gallon enclosed tank or in an outdoor storage area; and 2) What class will the water be at the end of the hydroponic finishing stage, and what class will it be after it's used by the cash crops? The quality of the treated effluent at the end of the process will determine the disposal method, and Green stated this is the purpose of the test-

validate-scale model, to allow us to make changes in the reclamation and reuse process so that we can manage the effluent within permit limits and also maximize our revenue by experimenting with various crop yields.

Mayor Lundbom stated he liked the biomass component to the proposal. City Manager Green stated that he does not know what the power requirements are for a hydroponic facility, but if we can bolster the torrefaction industry by becoming part of their renewable energy program that would be good for the community. Councilor Provencher stated we should talk with the County and see if we can help them market John Day as a location for the torrefaction facility. Mayor Lundbom asked if renewable energy was a requirement or goal of Sustainable Water for their participation. City Manager Green stated they are looking for innovative, forward-looking communities that are trying to create sustainable systems. This would show that we are meeting that objective and it's in line with how they are trying to brand themselves. Councilor Provencher stated that a partnership with Oregon State University for research could also be beneficial.

Green also mentioned that for Community Development Block Grants, which are federal funds administered by the State, they look at the percentage of your population that is in the low to moderate income (LMI) bracket. He stated that Census data overestimates income because it computes results for non-respondents, and they tend to get under-reporting from low and moderate demographics. He said that several communities in Grant County have done their own income surveys, and Tawni Bean at DEQ said when Seneca did theirs, they went from 37% LMI to 56%; Monument went from 24% LMI to 56%; and Mount Vernon went from 32% to 57%. The cut rate is 51%, so all of these communities went from below qualifying to above qualifying. He said John Day is currently at 41% LMI, so we are starting higher than they did, and all we need to gain is 10 percentage points to qualify for block grants, and the cost is only \$8,000 for us to conduct the survey. He said this survey would give us ground truth data from local survey takers, and his sense from speaking with people in the community is that we are probably above 51%. Council concurred. Mayor Lundbom asked if the survey was time sensitive, and Green stated it is not, we can choose at the appropriate time to do the survey.

Councilor Provencher asked if we need to revise the Wastewater Facilities Plan and if that is a DEQ requirement. He mentioned that former City Manager Peggy Gray asked about revising the plan when she inquired into a lagoon system, and was told it was not the right time. Councilor Smith mentioned Anderson Perry did do some follow-up work gratis for the City to look at a lagoon option on property owned by Dave Holmstrom. Green stated DEQ said it is not strictly necessary for you to revise it, but if you go into your One-Stop and there are a lot of questions about the design and the facility design, and you don't have a current plan to fall back on, then they may tell you, you aren't ready to be here. By updating the Plan we can concurrently pursue the privatization option with Sustainable Water, but we'll have an option to finance and build a plant ourselves if we need to.

City Manager Green will report back to the Council after his teleconference with Sustainable Water on August 26th.

Agenda Item No. 8 – Other

City Manager Green provided information on several items on the agenda.

- He stated he looked into the minutes from 2005-2006 related to the Planning Commission and the downtown rezoning, and he could not find any record of Mr. Graikowski having an agreement with the City that would allow him to build residential homes on his lots zoned as Downtown. Councilor Smith stated he thinks we've done our due diligence on this topic.
- Green stated he was contacted by a campaign manager for the 'Save Outdoor Schools' campaign requesting Council endorsement on their initiative. He stated he was unaware if this Council

endorses legislative agendas, so he brought the request to them. Councilor Schuette said he does not recall ever endorsing a campaign as a Council. Green stated the City of Bend has endorsed it, but most of the other signatures are from private companies or non-profits. Council asked Green to look into whether the Grant County ESD students participate in the program and to report back if it is relevant.

- Green provided an update on the new city website. He said we down-selected Aha Consulting, which was recently acquired by MuniCode. He stated that is a good thing, because the acquisition signals it was a company worth acquiring. He said Aha does very high quality websites, and he has signed a contract with them that will allow us to go live with the new site on or around January 1st. He said it will have the ability to do online forms, public surveys, and it will be much simpler. It also allows us to do analytics to determine which content is being used.
- Anna Bass stated that the audit needs to be rescheduled for one week later, so it is currently scheduled for Sep 21-23.
- Green provided feedback related to Councilor Provencher’s comments on the Public Contracting ordinance update. He stated that the emergency declaration language is at the discretion of the Council, that the grant language was not necessary for this ordinance, and that City Attorney Jeremy Green stated referencing the ORS was sufficient and that specific sections did not need to be reproduced. Councilor Provencher acknowledged he knew that, but his questions was if it was in the old ordinance, why take it out now? City Manager Green stated that Jeremy Green felt it was already long, and he just wanted to streamline it, so he removed that language, but he also said if we want to include it he can add it back in. Councilor Provencher stated that was not necessary, that he was already aware of this, but he wanted to bring it up so the entire Council was aware of it. Mayor Lundbom asked if we wanted to proceed with the emergency declaration, and Council concurred. City Manager Green said he would post the notice and Council could adopt the ordinance at the next session.
- Green provided the Comprehensive Plan and Goal List to the Council to help inform the creation of a new Capital Improvement Plan. Councilor Provencher asked about the Strategic Plan which was done in the 90’s. Green stated he is only providing the Comprehensive Plan, which references portions of the early strategic plan, such as the visioning statement for what John Day would look like in the year 2015.
- Green discussed the LOC 2017 Legislative Agenda, which included three of the four items the City Council voted for, but did not include 911 Tax Reform. Green stated we are at the point now where we need a capital injection for that department, or we are going to have to look at other options that don’t include local dispatch. City Recorder Bass stated her belief that Jefferson County merged their center with Condon for the same reason. Green stated that the City’s contribution is 40% of its property tax base just to keep this department solvent. Green said he plans to discuss this issue with Senator Ted Ferrioli to inquire if a special appropriation can be made by the State Legislature for Grant County to keep our Emergency Communications Center local. Councilor Provencher said we need to emphasize that this is only one of a handful that is run by a City as opposed to a County, so it is a good benefit for John Day residents.

Adjourn

Mayor Lundbom asked for a motion to adjourn the regular session, prior to entering into executive session to discuss attorney-client privileged communication.

Councilor Schuette made a motion to adjourn the meeting. Councilor Willey seconded and the motion passed unanimously. The regular session was adjourned at 8:04 p.m.

Agenda Item No. 9 – Executive Session

Mayor Lundbom read the following statement:

The John Day City Council will now meet in executive session to review and discuss confidential attorney-client privileged communications. This executive session is held pursuant to ORS 192.660(2)(f), which permits the council to meet in executive session to consider information or records that are exempt by law from public inspection.

Representatives of the news media and designated staff will 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 the executive session.

At 8:05 PM Councilor Schuette motioned to enter into executive session pursuant to ORS 192.660(2)(f). Councilor Willey seconded, and the motion passed unanimously.

Adjourn

There being no further business before the Council, Councilor Schuette made a motion to adjourn the executive session. Councilor Willey seconded and the motion passed unanimously. The executive session was adjourned at 8:14 p.m.

Respectfully Submitted:

Nicholas Green
City Manager

ACCEPTED BY THE CITY COUNCIL, SEPTEMBER 13TH, 2016

Mayor Ron Lundbom