

**John Day City Council**  
**March 14, 2017**  
**7:00 PM**  
**Fire Station, 316 S. Canyon Blvd**  
**AGENDA**

1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF CITY COUNCIL MINUTES OF FEBRUARY 28, 2017.**
3. **APPEARANCE OF INTERESTED CITIZENS** – At this time the Mayor will welcome the general public and ask if there is anything they would like to add to tonight’s agenda.

**ACTION ITEMS**

4. **SUPPLEMENTAL BUDGET APPROVAL**  
Attachments:
  - Notice of public hearing
  - Supplemental budget changes
  - Budget Resolution No. 17-767-03
5. **REPORT ON CITY MANAGER TRIP TO SALEM**  
Attachments:
  - None
6. **MAIN STREET REVITALIZATION GRANT**  
Attachments:
  - March 7 Letter to Downtown Merchants
  - Main Street Revitalization PowerPoint

**OTHER BUSINESS**

7. **OTHER BUSINESS AND UPCOMING MEETINGS**
  - 3/28 – Next City Council meeting, 7 PM – Focus on Eclipse Planning
  - 3/29 and 3/20 – Elected Essentials 2017 – Hermiston on 29th and Ontario on 30th. All workshops are from 8:30 a.m. to 4:15 p.m., with LOC's Regional and Small Cities Network meetings to follow from 4:30 p.m. to 6:30 p.m. Seats are filling up quickly; to register, go to the LOC website.
  - March 30<sup>th</sup> – Region 8 Small Cities Meeting in Ontario, open to all officials (4:30 – 6:30)
  - LOC Bulletins are included in packets

**ADJOURN**

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 14, 2017

**SUBJECT:** Agenda Item #4: Supplemental Budget Appropriation Attachment(s)

- Notice of public hearing
- Supplemental budget changes
- Budget Resolution No. 17-767-03

## **BACKGROUND**

The supplemental budget attached includes several changes to both revenue and expenditure line items for the current fiscal year. These changes reflect decisions made by the City Council during previous council meetings. To appropriate funding for the changes the council must update the budget.

## **SUMMARY OF CHANGES**

- Increases expenditures for the Community Promotions line item to allow for the city's donation to the proposed John Day bike park and spending for the Oregon Solutions process. Increases revenue to account for the life insurance policy on the former city manager and funding from public sector partners in the Oregon Solutions process.
- Increases attorney fees associated with the sale of the old fire station and reflects revenue received from the sale.
- Authorizes the city to collect rent payments on the new fire station from the John Day Rural Fire District as authorized by the District. These payments will be included in the joint use agreement for the new fire station.
- Adjusts spending to reflect the terms of the new 5-year interagency agreement for sewer service with Canyon City.

## **RECOMMENDATION**

City Manager Green and City Recorder Anna Bass will address any questions the council has prior to approval.

Council should then move to approve Budget Resolution No 17-767-03, A Resolution to Appropriate Fiscal Year 2016-2017 Budget.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 14, 2017

**SUBJECT:** Agenda Item #5: Report on City Manager Trip to Salem  
Attachment(s)

- None

**BACKGROUND**

City Manager Green visited the Capitol on March 9. The purpose of the trip was to meet with legislators and LOC lobbyists regarding the 9-1-1 funding and broadband requirements for the county and to testify to the Joint Ways and Means Committee Subcommittee on Transportation and Economic Development.

**DISCUSSION**

City Manager Green met with Wendy Johnson, the League of Oregon Cities’ Intergovernmental Relations Associate responsible for tax policy. Topics discussed included the transient lodging tax, broadband funding and the role of Business Oregon in John Day’s economy as well as the 9-1-1 tax.

**Transient Lodging Tax.** Approximately 85 cities have a lodging tax (tax rates range from 2% to 13.5%), and many have had such a tax for decades. The State began imposing a lodging tax in 2003 at 1%. The bill that first created the state tax also imposed new preemptions on city and county local lodging tax administration. The preemptions include restrictions on how cities can use local tax revenues and a requirement for reimbursement fees.

During the 2016 legislative session, the state increased its tax to 1.8%, but also provided more flexibility with how the state uses its lodging tax revenues for tourism. The League is pursuing legislation this session to provide more flexibility with how local lodging tax revenues are used, primarily by adjusting the definitions for “tourism promotion” and “tourism-related facilities.” In addition, the League is working to improve tax enforcement and address problems that have arisen over time.

The City of John Day has the option to impose a lodging tax. At present, the County has a county-level tax of 8%. The City could also levy a tax on Airbnb.com which the company would remit to the Department of Revenue and the state would send to the city. Airbnb.com is not taxed under the current ordinance and requires a separate agreement. TLT tax receipts in Grant County have fluctuated over the past decade but have increased at an average rate of \$7167 annually for the past five years.

*Table 1. Grant County TRT tax receipts (Amounts in \$000)*

<b>Current Rate</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
8.0%	63	93	98	85	84	92	96	80	89	108	127

**Broadband funding.** Grant County’s residential broadband rates are one of several barriers to growth. City Manager Green discussed the current rates and pricing options with various legislators to explore options for making a capital investment in a publicly owned fiber optic network. There is a precedent in Oregon for state investment in broadband. The state legislature dedicated \$2M in lottery funds in 2015 for Wheeler County to extend fiber to the city of Fossil. The state legislature also

passed the gigabit internet exemption in 2015 to reduce tax liability for telecommunications companies that provide speed tiers in excess of 1GB over a set percentage of their coverage area. House Bill 2063 in the current session would set a minimum investment threshold to establish eligibility for the tax break and a maximum price for the internet service.

These types of regulations recognize that access to high-speed internet has become a public good and the state has a responsibility to incentive its deployment, particularly in underserved communities where demand for the service exceeds the supply.

City Manager Green testified to the Joint Ways and Means Committee Subcommittee on Transportation and Economic Development about the role that Business Oregon has played in the past for infrastructure development in John Day and the ongoing need for public sector investment, particularly in broadband infrastructure, in light of our struggling economy.

### **9-1-1 Tax**

City Manager Green shared the city and county's progress toward shoring up the 9-1-1 Dispatch Fund. Senator Ferrioli is working to secure funding to bridge the department until a local option levy can be presented to the voters. This funding will reduce the financial burden on each city and the county in the coming fiscal year to offset the 9-1-1 budget deficit through general fund revenue.

### **NEXT STEPS**

City Manager Green will work with the county and the cities to provide the information needed for an appropriation for public safety funding and for the broadband stimulus package.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 14, 2017

**SUBJECT:** Agenda Item #6: Main Street Revitalization Grant  
Attachments:

- March 7 Letter to Downtown Merchants
- Main Street Revitalization PowerPoint

## **BACKGROUND**

City Manager Green held three meetings in late February and early March with main street business owners interested in applying for the Main Street Revitalization Grant. The purpose of the grant program is twofold: 1) To acquire, rehabilitate, and construct buildings on properties in designated downtown areas; and 2) To facilitate community revitalization that will lead to private investment, job creation or retention, establishing or expanding viable businesses, or creating a stronger tax base.

The City faces several challenges with its Main Street commerce. The buildings are aging and likely do not meet current building codes, parking is inadequate and several buildings have vacant units or struggle to keep consistent renters.

The Main Street Grant allows for cosmetic improvements such as updating the building facades, energy efficiency upgrades and improved lighting. It also allows structural improvements to improve the condition of the buildings.

The working groups discussed several project options that fell into the cosmetic category and one option for structural improvements to the building located at 103 W. Main Street (see enclosed PowerPoint presentation).

## **RECOMMENDATION**

City Manager Green will discuss the various options with the Council as well as the feedback from local business owners about the preferred options. The deadline to apply for the grant is Friday, March 17.

After reviewing the options, Council may choose to seek a consensus to apply for the grant or defer twelve months to the 2018 application window.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** March 14, 2017  
**SUBJECT:** Agenda Item #7: Other Business and Upcoming Meetings

**OTHER BUSINESS**

None

**UPCOMING MEETINGS**

1. 3/28 – Next City Council meeting, 7 PM. Eclipse Focused.
2. 3/29 and 3/20 – Elected Essentials 2017 – Hermiston on 29<sup>th</sup> and Ontario on 30<sup>th</sup>. All workshops are from 8:30 a.m. to 4:15 p.m., with LOC's Regional and Small Cities Network meetings to follow from 4:30 p.m. to 6:30 p.m. Seats are filling up quickly; to register, go to the LOC website.