

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

May 8, 2018

COUCILORS PRESENT:

Paul Smith, Councilor
Steve Schuette, Council President
Gregg Haberly, Councilor
Shannon Adair, Councilor
David Holland, Councilor
Brandon Smith, Councilor

COUNCILORS ABSENT:

Ron Lundbom, Mayor

STAFF PRESENT:

Nicholas Green, City Manager
Valerie Maynard, ECC Director
Monte Legg, Public Works Director
Matt Manitsas, Agribusiness Project Manager

Chantal DesJardin, Secretary
Anna Bass, City Recorder/OPG
Aaron Lieuallen, Senior Project Manager
Mike Durr, Interim Police Chief

GUESTS PRESENT:

Logan Bagett, Elkhorn Media Group
Sherrie Rininger, Etc.
Kattie Piazza, House to Home
Rick Hanners, Blue Mountain Eagle

Dan Becker
Jim Spell, John Day
Chris Fox, Riverside Home Park

Agenda Item No. 1—Open and Note Attendance

Council President Steve Schuette called the John Day City Council meeting to order at 7:00 p.m. and noted that Mayor Lundbom was absent and excused.

Agenda Item No. 2—Approval of City Council Minutes of April 24, 2018

Councilor Holland moved to approve the April 24th minutes as presented. The motion was seconded by Councilor Adair and passed unanimously.

Agenda Item No. 3—Appearance of Interested Citizens

Council President Schuette welcomed the audience and asked if anyone had any items they wished to be added to the agenda. He noted that City Manager Green had requested adding Richard Gray's severance package.

Councilor Adair moved to add Richard Gray's severance package as an agenda item. The motion was seconded by Councilor Haberly and passed unanimously.

Agenda Item No. 4— E-911 Address Assignment – U.S. Cellular Telecom Site

City Manager Green explained that U.S. Cellular needs a physical address for their cell tower. After speaking with the county it was found that the street has no name, to assign a number the street needs

a name. The street begins inside city limits but the location of the site is significantly out of city limits. The property owner has proposed the name “Cell Tower Road” for the north-south road that exits Davis Creek Road and winds up to the cell tower; “Prospector Lane” was suggested for the east-west road that winds over to the water reservoir. Normally private lanes aren’t named until approved and adopted, in this case, to give E-911 an address the road needs a name and the county did not want to do it because it begins in city limits. Councilor Holland approved of Cell Tower Road but pointed out that Prospector Lane would be contradicting the current layout of John Day, having the east to west running streets being numbered. He acknowledged that Hillcrest and Charolais Heights are the exceptions. Councilor Haberly asked about potential growth. Holland replied that area above Charolais Heights is one of the few places available for major growth, if the landowner were to sell or develop. Holland recommended that no name be given to the proposed “Prospector Lane” at this time. Councilor Brandon Smith asked if that caused problems with the Urban Growth Boundary. City Manager Green noted if it opens up for development within the twenty year period the street will need to be named.

Councilor Holland motioned to name the main road going to the cell tower, by property owner’s recommendation, as “Cell Tower Road”. The motion was seconded by Councilor Paul Smith and passed unanimously.

Agenda Item No. 5—Fire Hall Community Room and Tenant Arrangements

City Manager Green explained the first item regarding the fire hall has to do with overuse of the conference room. The space is being used a lot, which is good, but many reservations are for people only coming so they don’t have to pay for a facility somewhere else. He understands the intent as being available for people who are paying for the bond not for anyone looking for a free conference room. Green asked the council if they want to put a reservation fee or tighter restrictions on the room to open availability. The second item is the 9-1-1 Intergovernmental Council has requested an offer from the City of John Day to place the 9-1-1 Center in the Fire Hall.

Green explained the current reservation procedures the Grant County Regional Airport has for their meeting room. There has been an increase in multi-day use requests and the electrical bill.

The councilors discussed the need for charging users of the conference room due to increased operating costs from increased usage. It was stated that a caveat, for one of the grants used to construct the fire hall, was that there was to be a community conference room and it was to be free to the community. There were additional discussions about what charges to non-local users would be and how they would be scaled. The issue of lack of availability for city meetings was brought up with the suggestion of limiting one user from overbooking and placing time limits on meetings. City Manager Green suggested a charge for those external to the city and reserve a few days for locals exclusively to ensure people aren’t being turned down. Councilors agreed there is a need to recoup some operating costs and there are other venues better equipped to handle multi-day or larger groups.

There was a consensus among the councilors to request a new policy with set aside time for local users at no cost and a charge for external users based on a model similar to the Grant County Regional Airports charges.

City Manager Green explained there is an architectural floor plan of what the unfinished space would look like if it were to be converted for use by the 9-1-1 Center. Basically, one of the two offices and the storage area would become the operation center and one closet area would be converted to a secure server room. They would need to do some evaluations on line of site, but they think it will be at least as good, if not better, than the current location. Green asked if the council would like to negotiate with the

IGC and bring on a second tenant. They indicated they would be willing to entertain a formal offer in writing. There was discussion about additional costs and impact to fire operations. Fire Chief Ron Smith emphasized the benefit to hosting the center, due to increased security and noted they could find a way to work with the loss of storage because they are still getting the showers, laundry, and finished office space. There was discussion about the limited parking and options for overflow parking areas. It was suggested the city could purchase the empty lot across the street. Chief Smith noted groups using the conference room currently cause greater issue with emergency response than one additional car for a dispatcher. Additional discussion was had about the long term suggestion of having the dispatch center in the industrial park. City Manager Green noted there would need to be changes to the code in order to allow them to be issued a special permit to be in the industrial park.

There was a consensus among the councilors to have City Manager Green further investigate having dispatch at the fire hall and come back to the Council with a formal offer for the IGC. Council also requested further investigation of the option to place a center in the industrial park in the future.

Agenda Item No. 6—USDA Community Connect Grant Application

City Manager Green presented a PowerPoint explaining to the council the need to apply for the grant before asking them to sign a resolution. The presentation covered the digital divide in eastern Oregon and the correlation between lack of broadband infrastructure and poor performance in socioeconomic categories. Grant County has the second poorest score on the Digital Divide Index in Oregon, behind Wheeler County and in the bottom tenth percentile. Another graph showed the link between digital divide and K-12 education, in which eastern Oregon is also performing poorly. He highlighted that long haul internet providers, or darkfiber providers, form a circle around Grant County, down Highway 97, across Highway 20, and connected by I-84. This, along with geographical problems, add cost to providers looking to supply internet service.

Green stated the goal is to help remove barriers by creating a digital highway, publicly accessible dark fiber route into the heart of the county and build on that so private sector providers don't have to incur as much capital cost to get here, which is important because we have a small addressable market and providers are not fighting for a slice of a small pie. The Community Connect Grant is designed to provide financial assistance to communities just like ours. The goal is to give high speed internet at a minimum of 25 Mbps down and 3 Mbps up, which many areas of the county would see as paradise. Because Seneca does not even have good cell coverage, let alone broadband, along with many others along Highway 395 South. The grant funds can be used to deploy service at the minimum or higher; it also requires a community center in the service area to provide free internet access for at least two years.

Green noted the request is for \$2.9 million of the \$100,000 to \$3,000,000 award available per project. The match is 15% in cash on top of the capital costs; \$450,000 would be our match which would be reserved to operate and maintain the network during the 3-5 year grant period. Once closed the remaining funds are returned. The funds will be used for a public-private-partnership where the public agencies would design-build-finance the network and the private sector will operate and maintain. Deployment will be in phases: Phase 1, John Day to Seneca (funded by the USDA grant); Phase 2, Seneca to Burns in order to tie into the publicly owned dark fiber line owned by the Oregon Fiber Partnership; and Phase 3, expand the network North, East, and West through a mix of fixed wireless and fiber-optic assets to connect other communities in the county. The team working on the private public partnership includes: Grant County Digital Network Coalition, Seneca and the County have submitted letters of support for the grant; Oregon Telephone Corporation, an agreement is nearly complete for them to be direct internet service providers on the network; Commstructure Consulting LLC, doing the network

design and planning; Fiber Channels Inc., helping with the engineering, cost analysis, and brokering agreements; CTC Technology & Energy, financial advising and have won this grant for clients in the past; and Cohen Law Group, legal counsel specializing in representing public and private sector telecommunication clients.

The scope of the grant will be to intertie into Oregon Telephone's existing network and be 30 miles of publicly owned fiber-optic to a point of presence in Seneca. In addition to the thirty miles of trunk line will be laterals to: Fall Mountain communications site; Forest Service campsites Starr Ridge and Swick Old Growth Interpretive Site; critical facilities in Seneca, like the Post Office and City Hall; and for every property owner along the route, a multipoint service terminal that allows connection to the network from those farther off the highway as revenue permits or they choose to pay for. Eagle Peak was not included in the grant because it could have potentially disqualified the application due to its proximity to 3G wireless.

In Seneca the intent is to do a fiber-optic drop to every home. The goal is to provide 100% access to every potential user along the route; a test of public-private partnership business model, to be used in other areas of the county if successful, with state and federal funds. The proposed resolution for the grant prohibits using local tax dollars, using only state funding: obligating \$70,000 for network design and administration, \$30,000 has been committed to date; \$450,000 as the matching funds for the USDA grant; and leaving a balance of \$1.3 million, to be used for Phase 2 and 3 or leveraged for other state and federal grants.

The process of negotiating the contracts, design, and private sector agreements takes time and is complicated, which makes it difficult to communicate with the public mid negotiation. The intent has always been to expand competition and enhance private sector development within the county rather than compete with the private sector. The goal of the coalition is to deliver the fastest internet possible, to as many people as possible, at the lowest price possible; they are a mission driven organization. Green further elaborated on the opportunities to improve the socioeconomic situation through closing the digital divide such as: public safety communication improvements, educational benefits and improving long-term network resiliency. Green stated after nearly two years of work on this project he has found, if the private sector could do this, they would have done it already but the government couldn't do this alone either; it is going to take a partnership and if the right balance is found, the digital divide will be closed and will remain closed.

Councilor Paul Smith commended Green on his presentation and explanation of process then asked if the original state grant was not sufficient complete Phase 1 and Phase 2 to Burns. Green stated it was but would not have allowed connection of residents on a scale such as the federal grant will provide. There was discussion about the justification for need and chances of award despite it being a highly competitive grant. Green reiterated the aspects of their project that make the Coalition an attractive choice. Councilor Brandon Smith asked if the MOU with Oregon Telephone needs to be signed before the grant is submitted. Green replied yes, the resolution has been drafted to allow for the various agreements and contracts to allow Green and Mayor Lundbom, subject to legal counsel review, to sign as long as they are within the scope of the resolution. This limits expenditures to \$3 million and obligates the \$450,000 as match, and signing agreements with the aforementioned team needed to submit the grant. The council could alternately choose to hold several meetings in order to sign each of these. Councilor Schuette asked if Phase 1 would be Oregon Telephone's line. Green clarified the Coalition would own the line from a POP in John Day to Seneca and Ortelco would intertie with our network. Grant County Digital does not want to be in direct to consumer business but rather wholesale.

There were comments on opportunities available once Phase 2 is complete. Kattie Piazza noted that digital commuting is now the industry trend; work-life balance, thanks to Millennials, is the direction corporations are going.

Councilor Holland motioned to adopt Resolution 18-786-10, A Resolution Authorizing Application to the U.S. Department of Agriculture 2018 Community Connect Grant. The motion was seconded by Councilor Adair and passed unanimously.

Agenda Item No. 7—Other Business and Upcoming Meetings

Police Department Update

Green noted that Council met two weeks ago. Chief Gray has been on medical leave and has decided he would like to resign; he requested a severance package in recognition of his years of service. This was discussed with Council in Executive Session, after which they approved Green to work with Gray and the legal counsel to draft a severance agreement. An agreement on terms was reached this morning. Green asked the Council to approve a mutually beneficial agreement that includes just under \$30,000 in severance and the customary pay out of vacation leave. Green asked the council if they wanted to approve Green tonight, to sign the final agreement, subject to review and approval of the city attorney.

Councilor Adair motioned to authorize City Manager Green to sign the severance package subject to approval by the city attorney. The motion was seconded by Councilor Holland and passed unanimously.

Interim Chief Mike Durr informed the council they are moving along with Andrew Martin's training and he may be doing solo patrols within the next week or two. Green added it was a busy week, with a lot of arrests and activity. Durr added Officers Moore and Martin put together an outstanding domestic violence case and we are fortunate to have them, they go above and beyond to gain trust. They also assisted with search and arrest warrants related to an ongoing OSP/Sheriff's Office drug case.

TGM Grant Updates

City Manager Green noted the Evaluation Committee met and there has been a notice of intent to award issued by the TGM Selection Committee to the firm DKS, who are the lead on the team which includes: Walker Macy, landscape architect; Angelo Planning Group, planner; Inter-Fluve, hydrology. There will be contract negotiations done between the state and DKS then work should start late summer; in twelve months they will create a master plan for the Innovation Gateway, which will include a robust public process to get input from the community.

Council President Schuette reviewed the other business and upcoming meetings.

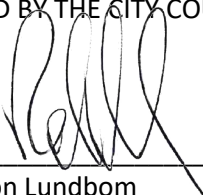
Adjourn

There being no further business before the council, Councilor Holland motioned to adjourn the meeting at 8:07 PM. The motion was seconded by Councilor Paul Smith and passed unanimously.

Respectfully Submitted:

Nicholas Green
City Manager

ACCEPTED BY THE CITY COUNCIL ON MAY 22, 2018

A handwritten signature in black ink, appearing to read 'RL', is written over a horizontal line.

Mayor Ron Lundbom