

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

October 23, 2018

COUCILORS PRESENT:

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

STAFF PRESENT:

Nicholas Green, City Manager
Mike Durr, Police Chief
Ron Smith, Fire Chief
Monte Legg, Public Works Director
Oren Wyss, Treatment Plant Operator

COUNCILORS ABSENT:

Fred Ostberg, Utility Worker II
Casey Myers, Water Systems Operator
Ray Wenger, Utility Worker II
Chantal DesJardin, Secretary
Matt Manitsas, Agribusiness Project Manager
Aaron Lieuallen, Senior Project Manager

GUESTS PRESENT:

Mary Lou Welby, John Day
Darin Toy, John Day
Rick Hanners, Blue Mountain Eagle
Logan Bagett, Elkhorn Media Group
Sherrie Rininger, etc.

Gary Edwards, Kirby Nagelhout Const. Co.
Jessica Lane
Morgan Green
Kaden Talkington
Penelope Green

Agenda Item No. 1—Open and Note Attendance

Mayor Lundbom called the John Day City Council meeting to order at 7:00 pm.

Agenda Item No. 2—Approval of City Council Minutes of October 9th, 2018

Councilor Brandon Smith noted that in the second line on page 2 the word “environment” should be changed to “environmental”.

Councilor Schuette moved to approve the October 9th minutes as corrected. The motion was seconded by Councilor Haberly and passed unanimously.

Agenda Item No. 3—Appearance of Interested Citizens

Mayor Lundbom welcomed the audience and asked if anyone had any items they wished to be added to the agenda. The mayor presented City Manager Green with a customized belt buckle on behalf of his grateful staff in recognition of his dedicated service. Public Works Director Monte Legg added that Green works a lot of hours and wanted to recognize his family also. Mayor Lundbom noted it was a wonderful idea and the councilors would like to thank him for his leadership. Green thanked the staff for the gift. Mayor Lundbom added an agenda item regarding traffic on East Highway.

Agenda Item No. 4— Citizen Concerns Regarding Speeding on East Highway

Mayor Lundbom noted a citizen expressed concerns about speeding on East Highway. This has been an ongoing concern for residents in the area. Mr. Burton has asked the city to put up flashing speed signs. Lundbom noted he would like the council to discuss and potentially pass on for further review by the safety committee. Police Chief Durr noted he had just begun looking into the statement and traffic stops from the past two months which included eleven citations from the nineteen stops. He stated that historically it has been a high-speed area, so officers try to work the area heavily. Chief Durr noted the worst that could happen—it has no effect and best case—it cures the problem. There was discussion about the potential financing for signs through ODOT and several councilors expressed support for the signs if ODOT paid for them. There was discussion about the cost, if ODOT didn't pay for them, with several numbers being mentioned ranging from \$3,000-12,000. City Manager Green noted he spoke with John Eden, the local rep for utility access and permits at ODOT. Mr. Eden stated they do allow the signs to be installed along the highway, the city would have to fund the purchase, installation, and maintenance; ODOT would draw up an intergovernmental agreement for placement. He noted they are very effective, the last cost he heard was around \$12,000 and they are very little maintenance unless hit by a vehicle. City Manager Green noted the signs also provide a helpful tool of recording all the speed data in a log. There was additional conversation about grants and external funding, Green will ask ODOT about funding again and look into other sources of funding. Mayor Lundbom stated Larry Burton came to him as a spokesman for everyone on both sides of east highway, he could not attend so the mayor offered to bring it up and pass it on to the committee if need be. There was discussion with the police chief about traffic stop trends, coming into town from the east, and concerns based on increased pedestrian risk in the area. There was a consensus to have the city manager look into the cost further.

Agenda Item No. 5—Grant County Digital—Implementation Planning

City Manager Green gave an overview of the background and discussion included in the agenda. He highlighted that having a public network, that links the critical facilities in and around John Day with those in Seneca, provides an intranet that would allow email exchanges, VOIP telephone calls, and the ability to move information back and forth between the public agencies in instances where internet connectivity goes down. This would also allow for future applications such as screencasting, to allow the 9-1-1 center to have eyes in the school if an incident occurred; policies around when and how this access occurred would need to be developed. Green explained that Commstructure has reviewed opinions of probable cost and proposed routes, along with completing the field surveying for both routes. The RFQ's have not been completed, the group is waiting to for the results of the Community Connect Grant before proceeding further. The combined rough order of magnitude cost is \$100,000; the actual cost will not be known until the bids come in, which are usually less than engineering estimates. With the \$100,000 they will be able to connect roughly ten critical community facilities to the network, which is remarkable for that price. Councilor Brandon Smith noted to put in context there is currently \$1.8 million in grants with nearly \$40,000 more from interest; with the Community Connect grant being an additional \$2.9 million, this will be a small sliver of the funds accomplishing a lot. He noted last year the award was announced within the first week of November; they were notified a decision had been made but not who it was awarded to yet. Mayor Lundbom asked if the lines would be aerial or underground. Councilor Brandon Smith replied they will primarily be aerial, as going underground was cost prohibitive in certain situations. City Manager Green noted he still needs to speak to the Grant County Digital Board but, since they are using the city's budget and procurement code, he recommends the board approve a proposal/extension and make a recommendation to the John Day City Council, who has to review and approve the spending until the funds are handed off. He added that he has been

impressed with Commstructure's work so far; he expects tight bids and multiple, based off the calls from those interested. There were comments about plans for the Community Connect grant, if awarded.

Agenda Item No. 6—Greenhouse Incubator—Concept Planning

City Manager Green restated the information included in the agenda about the meeting at OSU adding that they are very excited about what the city is doing. Green noted there were no concrete commitments; he wanted to have discussion with the council and OSU was going to have some internal discussions. He further explained the concept of building the two additional engineered bays as new product incubators. Green emphasized the importance of establishing an exit strategy for the city, asserting the city's interests are in economic growth—bringing in industry and job creation—not in becoming a regional distributor. The city wants to create an environment where the private sector can thrive, if it can be done with a world-renowned academic partner, that just adds to the success. As part of the exit strategy the city will need to outline when and how to scale and invest to manage risk. Green gave an example of how going through the decision cycle framework (included in the agenda) could evaluate an idea such as growing hops. Green highlighted this approach, recognized these things will not happen with out the city spurring them along, but they are not, and do not intend to be, a for profit business; they are looking at the economic growth not profitability.

Councilor Adair made comments about the economic opportunity for hops in the area and some of the hurdles locals have encountered; noting that year round hydroponic hops are not being done regionally and provide a unique opportunity for proving fresh hops more than once a year. There was discussion among council about the differences and limitations of fresh hops. Green noted a larger area would have some sort of venture development organization—a business accelerator, group of local start-ups—that would take this on, but we have to figure out how to do it with the human capital we have, using a team of local economics folks; OSU, if they were interested; and city staff to work through the opportunity assessment and strategy. He elaborated on components to consider in the assessment of something, such as hydroponic hops, before you present the business case to the council to consider an investment. If the council invested in the additional bays for product development, using the decision cycle to evaluate each further investment will manage the risk, while maintaining the value of their investment in a greenhouse and farming systems. Green offered they use the process to create the industry and opportunity, then move on to the next product--let the local businesses, entrepreneurs, and regional distributors run with it. Councilor Haberly asked about the cost of doing all five bays at once versus a phased build, noting that installation costs would be lower if done together. City Manager Green replied that Business Oregon is willing to loan the money for the additional bays, but he is concerned they do not have a market or someone to lease the extra space. There would be a twelve-month window to establish all of that before the city is paying the monthly cost of the loan for the additional \$180,000 if they didn't have a source of revenue from the sale of a product. Green noted it is likely they would, but they need to consider it would be an additional \$1,000-2,000 that would need to be transferred just to cover the cost of the loan.

Councilor Adair asked where they were regarding Oregon State. Green stated the next meeting was November 28th in John Day. Adair commented that if Oregon State committed, having a university committing to use the space gives a better feel about taking the risk. There was discussion about the potential collaboration and tenancy arrangement with Oregon State University. Green noted there were several possible approaches, but he recommended they focus on utilizing the greenhouse to establish a market and opportunity for a business rather than the city scaling products. It would need to be clear in the MOA where the city stands and their role in creating the space. He added that further opportunity assessment is needed regarding the additional two bays. There was discussion about the market for unique regional hops from eastern Oregon. Green mentioned strawberries as another potential product

because of the short shelf life. There were additional comments about the potential economic impact and timeline for commitment from OSU. Green noted he does not know where they stand on committing but they are working in the right direction; the capital cost in the first year is \$12,000—small in comparison to the potential return—but the city doesn't have a lot of reserves to cover it alone. Green noted he will come back with a report in the December council meeting about how the discussion goes and the council could decide then. Council discussed the bigger budget picture, cost savings, and unique opportunities to create jobs.

Agenda Item No. 7—Other Business & Upcoming Meetings

City Manager Green noted they are still waiting for DEQ to finish reviewing the application for the Brownfield Development grant. He also reported the 2018 funding recommendation for RTP was sent out via email that day; the committee rated the city's trail proposal as the top non-motorized application in the state. They felt it was very well designed in creating access to the John Day River for so many different neighborhoods. Green explained the remaining review that will take place over the next few months, expecting an announcement around March of the notice to proceed with the recommended amount of \$190,000. He noted another application from Grant County was ranked in the top ten; it is great having the State investing in our area. Green explained CEDS proposals are due November 2nd, he anticipates reviewing the bid(s)—to make an award—at the November council meeting. Green stated the Planning Commission recommended all four proposals for annexation/zoning changes be submitted to the city council for approval. Councilors discussed the FEMA meeting, notifications, and changes to the floodplain; there was a correction to the date in the agenda—the meeting is scheduled for the 24th and was noticed as such in the letters to those affected. Green reviewed the information he anticipates presenting to the council at the next few council meetings regarding the pool, audit, and rate planning. Mayor Lundbom commended the staff for their recognition of the city manager. Councilor Paul Smith also expressed gratitude for Green's work, especially with the grants. There was further discussion about the anticipated planning Walker Macy will complete for the facilities along the trails as part of the Innovation Gateway.

Adjourn

There being no further business before the council, Councilor Schuette motioned to adjourn the meeting at 7:56 PM. The motion was seconded by Councilor Adair and passed unanimously.

Respectfully Submitted:

Nicholas Green
City Manager

ACCEPTED BY THE CITY COUNCIL ON NOVEMBER 13, 2018



Mayor Ron Lundbom