

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

December 10, 2019

COUCILORS PRESENT:

Ron Lundbom, Mayor
Steve Schuette, Council President
Shannon Adair, Councilor
Gregg Haberly, Councilor
Elliot Sky, Councilor
Paul Smith, Councilor

COUNCILORS ABSENT:

David Holland, Councilor

STAFF PRESENT:

Nicholas Green, City Manager
Chantal DesJardin, Secretary
Mike Durr, Police Chief
Anna Bass, Solutions CPA's (City Recorder)

Don Gabbard, Fire Chief
Daisy Goebel, Associate Planner
Ray Wenger, Utility Worker II

GUESTS PRESENT:

Rudy Diaz, Blue Mtn Eagle
Steven Baldwin, Elkhorn Media Group
Christopher Fox,
Robert Gaslin, Gaslin Accounting

Sherrie Rininger, etc.
John Morris, Luce Long Ditch Co.
Heather Rookstool, Java Jungle

Agenda Item No. 1—Open and Note Attendance

Mayor Lundbom called the meeting to order at 6:00 pm, noting everyone was present except Councilor Holland who was absent and excused.

Agenda Item No. 2—Approval of Prior City Council Minutes

Councilors noted several typographical errors on pages 3, 6, and 8.

Councilor Schuette moved to approve the November 12, 2019 minutes as corrected. The motion was seconded by Councilor Adair and passed unanimously.

Agenda Item No. 3—Appearance of Interested Citizens

Mayor Lundbom welcomed the audience and asked if there was anything to add to the agenda. *No requests were made.*

Agenda Item No. 4—Consent Agenda

City Manager Green noted the attorneys were reviewing some exceptions on the title report for the Brazil/Morris, so there may be some minor modifications to the purchase agreement. It was clarified

that the seller was Morrison not Morris. Green clarified for Councilor Sky that the sidewalk project would begin in 2020.

Councilor Adair moved to approve the consent agenda as presented. The motion was seconded by Councilor Schuette. Mayor Lundbom noted this included approval of amendment to Agreement No 31244 between the City and ODOT for the US 395 S. Project and approval of the City Manager to sign the Purchase and Sale Agreement and necessary actions to acquire the Brazil/Morrison lot, subject to final review and approval by the city attorneys The motion passed unanimously.

Agenda Item No. 5—Executive Session – ORS 192.660(2)(f) To Consider Information or Records that are Exempt by Law from Public Inspection

Councilor Smith moved to enter into executive session pursuant to ORS 192.660(2)(f) at 6:04PM. The motion was seconded by Councilor Sky. Mayor Lundbom read the notice of executive session. The motion passed unanimously.

Councilor Haberly moved to leave executive session at 6:58PM. The motion was seconded by Councilor Schuette and passed unanimously.

Mayor Lundbom recessed the meeting for a short break.

Agenda Item No. 6—Public Hearing on Resolution No. 19-827-28, A Resolution to Change Budget Appropriations by Supplemental Budget

Mayor Lundbom called the meeting back into order at 7:01PM.

City Manager Green reviewed the information included in the agenda memo. Councilor Haberly asked when the revenue is anticipated for the sale; Green replied they anticipate finalizing in the coming spring, which will still be within the fiscal year.

Councilor Schuette moved to open the public hearing on Resolution No. 19-827-28, A Resolution to Change Budget Appropriations by Supplemental Budget at 7:04PM. The motion was seconded by Councilor Sky and passed unanimously.

Mayor Lundbom asked for public comment. *None heard.* Green clarified FEMA will cover the actual cost of repairs for total extent of damage to 4th Avenue, they are just estimating \$550,000 for repairs.

Councilor Schuette moved to close the public hearing on Resolution No. 19-827-28 at 7:06PM. The motion was seconded by Councilor Haberly and passed unanimously.

Councilor Schuette moved to adopt Resolution No. 19-827-28. The motion was seconded by Councilor Haberly and passed unanimously.

Agenda Item No. 7—FY19 Audit Report

City Manager Green introduced the auditor, Robert Gaslin. Mr. Gaslin gave a brief review of his background and distributed the audit report. He then reviewed some of the important findings

identified in the report, highlighting there were no significant findings or concerns identified in the audit. No larger line item budget appropriation violations were found and no concerns about internal controls were identified worth bringing to council. Mr. Gaslin discussed some of the more important details of the audit related to the City's financial position, PERS and capital improvement planning/debt service.

Agenda Item No. 8—Heather Rookstool

Heather Rookstool explained from Dayton to the Main Street there were three instances last year that she noticed children trying to run across in front of vehicles. She is concerned about safety and residents on that stretch of the sidewalk. She isn't sure if achievable this year but would ask that for years in the future. She noted the fair parade was an improved enjoyment from shutting down the sidewalk. Chantal DesJardin spoke on behalf of the Timber Truckers Committee. Heather Rookstool noted that she spoke to other businesses and they also stated people are going out into the street in order to see the parade. This is an issue just from the street light to Dayton not farther west.

Sherrie Rininger noted that the announcer could be giving a cautionary measure to encourage people to stay off the street and be in the sidewalk. Council further discussed ways to account for public safety while creating better visibility for enjoyment. Several councilors noted they were not all as informed about the situation, it is last minute, and Mayor Lundbom recommended they defer to the Public Works Director's recommendation for the current year, to review after this year for changes.

Heather Rookstool also spoke to the council regarding a Trunk or Treat, noting she has spoken to ODOT about the potential of shutting down the highway for a Trunk or Treat from Main to Dayton. This event has been held at Humbolt in the past and was moved to high school recently but it was a flop because it is a separate stop and there is not good lighting. Ms. Rookstool talked to county – Alan Hickerson and local ODOT-Shane Giffin to apply to ODOT for the detour and secondary option of Dayton in the event the highway could not be closed. She reported on the success of the Downtown Merchants Trunk or Treat event this year and was hopeful changes for further success in would take place in future years. She noted if approved, it could set the precedent for other similar events that would also shut down Main Street. She noted it would always be on the last Saturday of October. Councilor Schuette attended a similar event in Baker City, noting the tremendous support and attendance. Rookstool spoke further on other options for locations and variations of the event that don't include shutting down the highway for the event. Councilor Sky asked about the downsides to shutting down. Green highlighted it is a highway, previous reactions from ODOT when the city has pursued, and the potential as a different approach. Councilors concurred with her seeking approval and Mayor Lundbom noted he would get a letter of support to Heather for ODOT application.

Agenda Item No. 9—Project Updates

City Manager Green reviewed the information included in the agenda memo. Green noted the 2017 transportation bill eliminated funding for small city allotment (SCA) projects on state highways, which means the 395 S. Sidewalk project match cannot be paid with SCA funds. As a result, the City used street funding and the project is ready to begin final design and engineering in 2020 with construction in 2021, though he does not have a schedule. Mayor Lundbom asked how we came up with the funds, Green noted that was the \$75,000 just appropriated out of the street fund in the supplemental budget just approved by the council's resolution. Green noted that SCA funding has been redirected to the 4th street

repairs as state match on the federal funding. He also spoke about efforts to also get EDA grant funds and work in partnership with OTC to get fiber built up to the airport as part of that project.

Green updated the council about the site visit for the new hotel scheduled for Dec 17th. A letter of map removal is being worked on. With their architects, the City will draft a site design review for planning commission. All information will inform what area of land partition should be, which then delineates the area for the land sale.

John Morris gave some anecdotal comments after speaking with Kenny Delano, who was involved in the original system improvements for the water diversion at the property. He wanted to make sure the council informed the Pridays of the experiences DR Johnson had when building improvements at the site. Per Mr. Morris, Mr. Delano stated the chipper motor installed, they had to go down 30 feet to get enough bed rock to be solid. Green noted due to similar conditions, there was reconfigurations of the foundation for the greenhouse and the Priday's are aware of the previous use and potential conditions that could affect construction. Morris noted Soil & Water doesn't have any old maps identifying the location of the trench with the pipe but when replaced it was put as nearly as possible in the original trench. He does have a rough drawing from Kenny Delano. The lower dike washed out in the 1964 flood, the pipe was in the dike. City Manager Green explained all this documentation and information has been given and disclosed to the buyer.

Green noted there are four bids for the treatment plant. The committee will review and collectively scoring the proposals from Kubota, H2O Innovations, Alpha Laval, and Cloacina. City will issue a notice of intent to award after completing its due diligence.

Green also updated the council on the status of the pool feasibility study, which is on track. The integrated park system is pending notice to proceed due to review by the State Historic Preservation Office. They want to ensure there are not archaeological concerns, and if so, how they will be handled. City pushed back on request by them for archeological survey, they are going to re-review and let city know within the month what decision is. Green noted Davis Creek Park is complete.

Steven Baldwin proposed a location within Davis Creek Park near the cemetery as a potential site for a field cross/veterans memorial. The battlefield cross is proposed for a location near the lookout that has power, and City could explore creating access through cemetery to honor veterans. There is a grant through OPRD for that type of thing. Steven Baldwin noted 10% of the County population is veterans and he felt the field cross would identify and honor Vietnam-era service members who have served and died. A larger memorial could be built on to later to commemorate other wars and soldiers. **Council consensus was to submit an application for the project to OPRD.**

The Greenhouse is cycling up production supply to Chesters, Timbers and 1188. We are putting the building through the paces to get to 100% of space utilized for production. Replacement heaters are being installed Dec. 17th, reconfiguring the system, which is being covered by the vendor. Ed Staub will do the install. Full production will resume in February. The pilot run of tomatoes was harvested and some sold to Timbers. Heather Rookstool asked when other business will be offered access to produce. Green noted we should be able to source at least two more restaurants by spring/summer. He explained the limits and opportunities to fund expansion if possible. The EDA grant could be used for expansion under the training and employment elements. Green noted businesses in John Day get priority, but we are looking for other customers. Businesses just need to express interest and contact city staff. City is

also looking to potentially fund portions of the Community Pavilion and Conference Center through that grant.

Council discussed the potential purchase of 14-acres of land from Iron triangle, which was recently rezoned for greater flexibility and development. Was proposed in the 2019 BUILD grant due to high costs for street projects and land sales being historically low—the economics are not in favor for builders doing land development and selling. Iron Triangle wants to work with city to do joint development.

Grant funding is available for Phase 1, the City has done desktop appraisal, but greater environmental assessments are needed. Council concurred with the environmental but stated they would like more information regarding scope of land acquisition. Green highlighted the City can do the Phase 1 assessment but phase 2 would be done by property owner. The City would need to own the property in order to do Phase 2 but could do the phase 1, which has 10% match, before moving forward with acquisition.

Schuette commented the original agreement to develop Ironwood Estates may have included provisions that Ironwood Phase 2 would not be allowed until the outlet to Patterson Bridge was developed. Green noted a joint development or other public private partnership with some city money would ensure long term return on investment for community. There was discussion about what Ironwood Phase 2 development would consist of. Green noted there is not a preliminary plat. Anna Bass asked what the 10% match would be, Green noted up to \$6,000 for the environmental Phase 1. He could draft a notional approach similar to a letter of intent that outlines what this would look like for future development. Council discussed the BUILD grant and Green discussed the importance of completing the local street network and developing land for housing growth. Storage space a commercial use constantly asked for in the airport but are not allowed there, but would be down at this site. Green expects cost recovery through redevelopment and land sale for commercial development. Consensus was to agree to proceed with IT acquisition/agreement/joint development pending additional detail.

Green said they expect an application from Len's Drug soon for their building improvements funded through the Main Street Revitalization Grant. They are having discussions but haven't seen application.

Weaver building sale closed. The development agreement is not complete, it is documented and requirements of the grant outlined as part of sale but specific development agreement will be brought to council in January. Mayor Lundbom asked Sherrie Rininger about the tenant experience so far with the new owner, she noted her interactions so far.

Strawberry View Estates is under new ownership. The owners, Russ Comer and Josh Walker, will be sitting down with the city next week to discuss development similar to Iron Triangle request for Ironwood Phase 2. They may need updated LIDAR for the geological hazard overlay from the state to manage geological overlay approval for this site.

Green briefly noted they are conducting inspections of Riverside Home Park and exploring opportunities to help them achieve code compliance.

Green discussed broadband expansions and the OTC grant award under ReConnect. The MOU with the City anticipates up to a million dollars will be provided as matching funds, subject to the City and OTC reaching an agreement on joint use of the infrastructure. Separately, the City is looking at installing fiber

lines up to airport, out to new hotel, and to Ironwood Estates, with the goal of having fiber to each premise in John Day within 3 years.

To achieve this, City Staff are recommending the purchase of a mini excavator and trailer to have city staff do trenching to reduce contracting costs. This would significantly reduce cost overall, but we need the mini for flexibility in confined right of way spaces. Bids were solicited from three vendors and City would be looking at around \$60,000 out of motorpool funds for the purchase.

Green noted there would be value and other opportunities for use of this equipment by the city long term once fiber build complete. Green reviewed the quotes and discussed how EDA match works to offset cost to buy down the equipment through work done on the very first contract. He also noted we could liquidate this equipment if necessary and would recover much of our costs. Green said he would come back next week with recommended quote and price for trailer for transport as an action item. Council was in support of bringing back for decision, comments from council, staff and audience were made about recommendations about the purchase and approach for choosing equipment. Ms. Rookstool noted OTC promised fiber down 7th Street within the month.

Green updated the council on the Oregon RAIN project. Staff are reviewing applications to hire someone by January. Robin's Closet from Burns, OR wants to try pop up retail in Grant County, with the first event up at airport.

Agenda Item No. 10—Grants Summary

City Manager Green reviewed the information included in the agenda memo. Highlighted the economic value being realized that isn't necessarily reflected directly in city financials. Council thanked Green for consolidating projects and grant summaries. Green elaborated on the anticipated timelines for the pending grants if awarded. WEP grant amount to be determined following membrane RFP. He said there is a 60-day turnaround for EDA grant decision once submitted. Veterans grant due in February, and he will bring scope back to council.

Agenda Item No. 11—Other Business & Upcoming Meetings

Mayor Lundbom reviewed the upcoming meetings and checked in with council and city staff. *There were no further comments.*

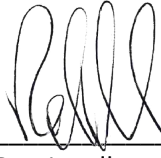
Adjourn

There being no further business before the council, Councilor Schuette moved to adjourn the meeting at 9:01PM. The motion was seconded by Councilor Haberly and passed unanimously.

Respectfully Submitted:

Nicholas Green
City Manager

ACCEPTED BY THE CITY COUNCIL ON JANUARY 14, 2019

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

Ron Lundbom, Mayor