

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

November 10, 2020

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Steve Schuette, President (virtual)
David Holland
Paul Smith (virtual)
Shannon Adair
Elliott Sky (virtual)
Gregg Haberly

COUNCILORS ABSENT

CITY STAFF PRESENT

Nicholas Green, Executive Director
Chantal DesJardin, Senior Acct Clerk
Aaron Lieuallen, Senior Project Manager
Daisy Goebel, Associate Planner
Mike Durr, Police Chief

GUESTS PRESENT VIRTUALLY

Caller 01
Caller 02
Danielle Jones
Stephanie LeQuieu
Rudy Diaz, Blue Mtn Eagle

Agenda Item No. 1—Open and Note Attendance

Chairman Lundbom called the meeting to order at 7:00p.m., noting everyone was present, including Councilor Elliot, Smith, and Schuette virtually.

Agenda Item No. 2—Approval of Prior Minutes

No minutes presented.

Agenda Item No. 3—Appearance of Interested Citizens

Mayor Lundbom noted there was no audience in person and asked those attending virtually if they had any business to add to the agenda. *None appeared.*

Action Item No. 4—Ordinance No. 20-186-07, An Ordinance Granting Oregon Trail Electric Consumers Cooperative, Inc. the Right and Privilege to Place, Erect, and Maintain Poles, Wires, and Other Appliances and Conductors of the Transmission and Distribution of Electricity in, on, and under the Streets, Alleys, Avenues, Thoroughfares, and Public Highways in the City of John Day, Oregon, and to Exercise the Privilege of Engaging in the General Business of Generating, Transmitting, and Distributing Electrical Energy; and Declaring an Emergency.

City Manager Green noted the only substantial change was shown in the agenda memo as an attempt to reflect the motion made by the council in the previous meeting with regard to the franchise fee schedule for rate increases. Green read the changes to the ordinance since the prior draft was submitted for this amended section. Councilors commented that it seemed consistent with their intent.

Councilor Schuette moved to have Mayor Lundbom read Ordinance 20-186-07 by title only. Councilor Holland seconded and the motion passed unanimously.

Mayor Lundbom read Ordinance No. 20-186-07 by title.

Councilor Adair moved to adopt Ordinance 20-186-07. Councilor Smith seconded and the motion passed unanimously.

Action Item No. 5—Resolution No. 20-848-21, A Resolution of City of John Day on Reconsideration of Challenged Land Use Regulations Adopted Under Ordinance No. 20-180-01

City Manager Green restated the information provided in the agenda memo, noting it was recommended by the attorneys to formalize this action the council has already taken to reconsider Ordinance 20-180-01, and the revised ordinance would be presented to the planning commission and then forwarded to the council. Councilor Holland asked for clarification of which ordinances these relate to. Green confirmed the first (this ordinance) relates to code enforcement amendments and the second (next ordinance on the agenda) relates to manufactured home parks and mobile homes. The intent was to allow the stakeholders, specifically Riverside Home Park, to comment at the local level for both ordinances prior to resubmitting them to the city council for adoption.

Councilor Smith moved to adopt Resolution 20-848-21, A Resolution of City of John Day on Reconsideration of Challenged Land Use Regulations Adopted Under Ordinance No. 20-180-01. Councilor Adair seconded and the motion passed unanimously.

Action Item No. 6— Resolution No. 20-849-22, A Resolution of City of John Day on Reconsideration of Challenged Land Use Regulations Adopted Under Ordinance No. 20-185-06

Councilor Holland moved to adopt Resolution 20-849-22, A Resolution of City of John Day on Reconsideration of Challenged Land Use Regulations Adopted Under Ordinance No. 20-180-06. Councilor Sky seconded and the motion passed unanimously. City staff then noted the original motion was based on an incorrect ordinance number put into the packets. The motion was read as 20-180-06 but should have been 20-185-06.

Councilor Holland amended the motion to approve Resolution No. 20-849-22, to note the Ordinance was No. 20-185-06. Councilor Sky seconded and the motion passed unanimously.

Action Item No. 7— 4th Avenue Repairs Update

City Manager Green explained that the geotechnical analysis determined that Canyon Creek has been eroding the hillside, not just the portion immediately in the creek that collapsed in the spring 2019 flood event but also the area around this section. Green explained the design options under consideration, as outlined in the agenda, which included a soldier pile wall which basically drives steel into the ground until it hits bedrock, deep enough until the piles are stable, and then a portion of the road base would be cut back and steel tie ins would be installed horizontally into the hillside below the roadbase before it is repaved. The other option is an MSE wall, which would excavate below the level of Canyon Creek and then backfill with compacted material. This is potentially less expensive but comes with long-term concerns regarding erosion above the road and the ability of this approach to retain future slides. Green also noted that the cost estimates were engineering estimates, not bids. He also explained that because FEMA will be covering seventy-five percent of the cost and will have to review prior to us competing either design. The opinion of probable construction cost for the MSE design was \$872,000 and for the soldier pile wall was \$1.3 million. Green also explained the difference for the City's match is only 25 percent of construction costs, \$218,000 and \$331,000, respectively, resulting in a difference of about \$113,000 in local match between the two options. Councilor Sky asked if this was something the county had seemed open to assisting on. Green explained as a main access for the County Airport and emergency vehicles between the hospital and the airport they felt cost sharing would be appropriate based on our last study session, but we will need to have a follow up meeting to confirm and have the engineer's explain the approach. Councilor Holland spoke on some of the uphill slide activity, which is similar to what happened up above some of our residential areas, which was determined to have been caused by a failed septic system that saturated the clay layer and slid across the hard layer. The lower layer of the hillside was not moving but that clay layer would sluff across the harder base. Acknowledging he was not an engineer, he just spoke from observations over the last thirty years that it was not the road-level part that was moving, it was the clay layer sliding over the harder packed soil. Green state either option was viable. He noted we tend to see lower excavation costs than

were estimated by the engineers, so that portion could come down when it goes out to bid. Council also discussed other cost sharing opportunities to lower direct cash necessary for the match, such as in-kind work. Green noted they will have to close the road longer in the MSE option and could leave it open during the solid pile installation, but they have a limited window for construction for the in-creek work in August. Green noted the engineers core drilled the site and he will submit the information presented tonight along with their geotechnical analysis to FEMA, to see if they concur with the assessment. He noted they will likely need to have a study session with the county and our engineering firm is on a fixed price contract and has no financial interest in whichever option we choose. Mayor Lundbom asked if anything is wrong with the bridge and Green stated it was not damaged and this project will not go down to the bridge. Holland commented that at one point because of the creek crossing we have since abandoned a water line that a resident claimed was causing downstream erosion on his property. At one point the City had discussed hanging a water line on the 4th Street Bridge and completing the loop at that end of the system. He recommended we either lay pipe in that short stretch or some type of conduit we could run pipe through in the future. The water line currently comes off Lamford Road to feed the airport and a six-inch line runs down 4th Street and used to cross the creek to 3rd Street to loop the line, but that creek crossing was subsequently abandoned because erosion over time caused the pipe to protrude into the creek, and now it is a dead end segment.

Action Item No. 8— Main Street Revitalization/Supplemental Budget Planning

City Manager Green noted they are still working on the cost estimates and scope for a USDA Community Facilities grant that was approved for submission by the city council several months ago. He noted the costs have become problematic because we are struggling to find the matching funds. We are estimated \$325,000 to do the structural repairs to the planar shed, we would also have to add ADA accessible restrooms, pave a portion of the parking area for ADA accessibility, install new electrical wiring, and make minimal improvements to the roof, and paint. This total package is estimated to cost more than half a million. Even with two thirds of the project grant funded, we are still on the hook for the other third, which would be a significant amount of match. USDA is willing to finance the match, and that would result in a payment of between \$10,000 and \$12,000 per year, but we would still need to identify a source of funding to make the loan payments. We could use a portion of our Main Street Revitalization funds and pay a portion as cash and a portion as loan funds, but before we proceed Green wanted to touch base with the council to get their opinion on whether we do this project now or wait. He said it really comes down to how quickly we want to open the site to the public and how to balance this investment with the other investments we're planning elsewhere in the City. We have a lot of important needs and competing needs but we can't do it all. Holland asked and Green confirmed this is about the restoring the open shed. He noted we may want to wait until the new hotel is in development. Councilor Adair and Mayor Lundbom said they would like to proceed but agreed the costs are problematic and would like to know what the

hotel is doing and their timeline. Councilor Haberly asked if the hotel could step up and give us some money. Green said the hotel has the opposite problem, they are still trying to find a builder who can build it for \$100,000 per room when the going rate is closer to \$125,000. They are not in a position to finance other infrastructure for the City. Material costs, labor demand in the market and other macroeconomic factors are driving costs for commercial construction up, even though interest rates are at historic lows. Haberly noted the cost of 2x6's has doubled. Holland said he thinks the City will face the same problems the hotel is facing and we would likely face higher construction costs if we proceed now versus waiting, considering all the other projects ongoing like the redevelopment of our industrial areas and selling land at the airport industrial park. He noted if we concentrate on those areas initially and work the others in as money or grant funding comes available we may be better off. Mayor Lundbom said he was unaware the hotel was struggling with development costs. Green said the impacts of COVID in that industry were profound and like the city, they are trying to balance the benefit of low interest rates against these higher costs of construction. Councilor Sky concurred the planar shed is tied to the larger area development plan and it wouldn't make sense for the City to proceed ahead of the private developers if the other components are delayed. He said it's a fairly high priority project for him and would be an awesome asset, he is torn. Councilor Adair felt another year would help us re-evaluate and look at it again, there may be some things downtown we can do in the interim that will have higher value or more near-term impact. Councilor Smith loves the vision and concept and what it could do for the community but concurred we should relax on this a bit and see how it develops over time. Schuette agreed, to make it a viable place we need to be able to hold functions that raise money and with COVID we can't do that.

Council consensus was to hold off on the USDA Community Facilities grant until they can evaluate the effect of COVID and our ability to hold events to recoup investment dollars in the planar shed.

City Manager Green restated the information regarding defunding the Oregon Main Street Revitalization Grant (OMSRG), which was a casualty of the State's COVID budgetary reductions, and the movement among Main Street practitioners to ask them to refund that program. He noted we have won it two times in a row but cannot apply in 2021 because it has been defunded. He has drafted letters for the council to send to our legislators to request they fund this program and also discussed the early loan payment from Sheedys and whether council wanted to budget to expend any of those funds this year.

Councilor Sky commented the Weaver Building and Lens Drug are looking good and hopefully it helps get others excited. Councilor Smith agreed the downtown revitalization is critical here and he supports the letters. Councilor Schuette concurred.

There was a consensus from the council to send the letters to Senator Findley and Representative Owens to encourage them to refund the Main Street Revitalization Grants.

There was discussion about the supplemental budget, noting they have to include the coronavirus relief dollars but not necessarily the \$50,000 early payment from Sheedys. Councilor Holland recommended we take more time to consider how to invest that funding as part of next year's budget process, rather than rushing in the supplemental budget next month. Green spoke on the time it would give to develop a local program to appropriate some local Main Street Revitalization dollars.

There was a general consensus from the council to defer additional spending on Main Street until we go through the spring budget process in order to get feedback from residents and businesses on the best way to utilize these funds.

Action Item No. 9— Other Business & Upcoming Meetings

City Manager Green updated the council regarding the tie in the elections, noting Councilor Sky and Holland were elected for another term but there may need to be a tie breaker for the third position, which will be recounted by the county clerk. He also noted the flyer for Elected Essentials Training.

City Manager Green also discussed some of the staffing issues, and impact of COVID on our staffing, and suggested changing the hours of City Hall to Monday to Thursday, 8am to 6pm through the winter. Council discussed the benefits of hour changes and adapting to the ongoing changes. **Council voiced approval of the city hall office hour changes.**

City Manager Green confirmed the Planning Commission Hearing will be virtual and in person next Wednesday. Along with the URA and City Council meetings on December 8th. He noted Jack Young has applied to be amended in to the URA Boundaries but no other applications were received in 2020.

City Manager Green asked the council if they want to go totally virtual, continue in a mixed, or wait to see if there continues to be a rise. Councilors were mixed in their opinions, there was a variety of opinions. Green summarized that they will continue to do mixed meetings of in person and virtual, noting they will limited public attendance in person to by appointment only. Council commented that there have been very few in person attendees; Green also suggested they could purchase some better equipment for audio and video improvements to broadcast meetings and increase accessibility. **Council concurred with ordering better audio visual equipment.**

Green discussed the OTEC property line adjustment and his recommendation that we abandon the water rights for Well No. 2 at this location because it has been disused and the City has sufficient water rights and water capacity on our other wells. Councilor Holland said he never did think it was a concern, it is a small water right and we don't have the demand to necessitate it. Mayor Lundbom asked if OTEC needed it for any reason and Green said they do not, it will just become inactive and will be used as a monitoring site by OWRD. **Council concurred with doing the property line adjustment without the water right transfer in the final agreement.**

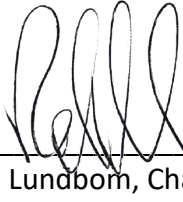
Mayor Lundbom reviewed the upcoming meetings and checked in with city staff.

Councilor Holland moved to adjourn the meeting at 8:06pm. Councilor Haberly seconded and the motion passed unanimously.

Respectfully Submitted:

Nicholas Green, City Manager

ACCEPTED BY THE CITY COUNCIL ON JANUARY 12, 2021.

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

Ron Lundbom, Chairman