

**John Day City Council Meeting  
January 12, 2021  
316 S. Canyon Boulevard**

**7:00 PM CITY COUNCIL MEETING  
VIRTUAL ONLY**

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- 1. OPEN AND NOTE ATTENDANCE**
- 2. APPROVAL OF PRIOR MINUTES**
- 3. APPEARANCE OF INTERESTED CITIZENS** – At this time we will welcome the public and ask if there is anything they would like to add to tonight’s agenda.
- 4. CITY COUNCILOR OATHS OF OFFICE**  
Attachments:
  - Oath of Office – Dave Holland
  - Oath of Office – Elliot Sky
  - Oath of Office – Heather Rookstool

## **CONSENT AGENDA**

- 5. CONSENT ITEMS – IRON TRIANGLE SHOP LEASE AGREEMENT**  
Attachments:
  - Lease Agreement

## **ACTION ITEMS**

- 6. DISCUSS AND APPOINT COUNCIL PRESIDENT**  
Attachments:
  - None

7. **STANDING COMMITTEE APPOINTMENTS**  
Attachments:
  - Committee Assignments
8. **BUDGET OFFICER, BUDGET COMMITTEE & PLANNING COMMISSION APPOINTMENTS**  
Attachments:
  - Budget Calendar
9. **PUBLIC HEARING FOR ORDINANCE 21-192-03, AN ORDINANCE OF CITY OF JOHN DAY ADOPTING POLICIES AND PROCEDURES GOVERNING THE DISPOSAL OF CERTAIN CLASSES OF CITY-OWNED REAL PROPERTY**  
Attachments:
  - Ordinance 21-192-03
  - Regional Industrial and Business Park Sales
  - Tax Map 13S31E27D (Airport Industrial Park)
10. **RESOLUTION 21-853-01, A RESOLUTION ESTABLISHING WATER RATES, DEPOSITS, AND OTHER RELATED CHARGES**  
Attachments:
  - Resolution 21-853-01
11. **RESOLUTION 21-854-02, A RESOLUTION ESTABLISHING SEWER SERVICE AND CONNECTION CHARGES**  
Attachments:
  - Resolution 21-854-02
  - Treatment Plant Progress Report
12. **RESOLUTION 21-855-03, A RESOLUTION ESTABLISHING SYSTEM DEVELOPMENT CHARGES**  
Attachments:
  - Resolution 21-855-03
  - FY20 SDC Report
13. **RESOLUTION 21-856-04, A RESOLUTION ESTABLISHING LAND USE AND DEVELOPMENT PERMIT AND APPROVAL FEES UNDER TITLE 5, CHAPTER 5-4.1, SECTION 5.4.1.100 OF THE JOHN DAY CITY DEVELOPMENT CODE FOR ALL OF THE CITY OF JOHN DAY'S LAND USE AND DEVELOPMENT PERMIT AND APPROVALS OUTLINED IN TABLE 5-4.1.100 THEREIN AND TITLE 5 APPEALS; AND FEES FOR FILING MEASURE 37 CLAIMS UNDER ORDINANCE 04-112-2; AND REPEALING ALL PREVIOUS RESOLUTIONS ESTABLISHING FEES UNDER TITLE 5 OR CONFLICTING WITH THIS RESOLUTION**  
Attachments:
  - Resolution 21-856-04
14. **CCS CRISIS OUTREACH – SARAH BROWN**  
Attachments:
  - CCS Purpose Letter
15. **2021 STRATEGIC PLANNING**

Attachments:

- None

## **OTHER BUSINESS & UPCOMING MEETINGS**

### **16. OTHER BUSINESS & UPCOMING MEETINGS**

- January 26, City Council Meeting – Supplemental Budget (Fire Hall/Virtual, 7 PM)
- February 9, City Council Meeting – Fire Hall/Virtual, 7 PM
- February 23, City Council Meeting – Fire Hall/Virtual, 7 PM

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #4: City Councilor Oaths of Office

- Oath of Office – Dave Holland
- Oath of Office – Elliot Sky
- Oath of Office – Heather Rookstool

## **BACKGROUND**

Chapter VI, Section 28 of the 1993 City of John Day Charter states before assuming city office, an officer shall take an oath or shall affirm that he or she will faithfully perform the duties of the office and support the constitution and laws of the United States and of the state of Oregon.

## **DISCUSSION**

The Oath of Office will be given to the city councilors elected on November 3, 2020; Councilors Dave Holland, Elliot Sky and Heather Rookstool.

## **NEXT STEPS**

The enclosed Oath forms will need to be signed in front of a notary. Since the City no longer has a notary on staff, you may take your form to Solutions CPAs and have them notarize it and bring it back to City Hall for filing.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #5: Consent Agenda – Iron Triangle Shop Lease Agreement  
Attachment(s)

- Lease Agreement

## **BACKGROUND**

There is one item on the consent agenda.

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### **Item 1) Iron Triangle Shop Lease Agreement**

At our December 8 meeting, the city council concurred with leasing the recently acquired Iron Triangle shop on a temporary basis for between \$1,000 and \$1,500 per month while we develop a long-term use plan. The RERC strategy contemplated creating a recreation rental hub at this location at some point in the future. There are also other potential uses, but in the interim, council concurred that getting some rental income from the shop would be beneficial and in the city's best interests. I mentioned we had a tenant willing to assume a lease by the end of the month.

Dave Lynn agreed to a month-to-month commercial lease for his business, Cascade Clutch & Performance LLC. Mr. Lynn is relocating to John Day and is building a home and new shop for his business. We expect his lease to last approximately six months, but structured the agreement as a month-to-month commercial lease to allow for flexibility as his home and business are being constructed. This is the City's standard lease agreement created by our legal counsel and is for \$1,250 per month plus utilities. Mr. Lynn has paid his first and last month's rent plus security deposit.

**Recommendation:** Ratify the commercial lease agreement as submitted with an effective date of December 31, 2020.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** January 12, 2021  
**SUBJECT:** Agenda Item #6: Discuss and Appoint Council President  
Attachment(s)

- None

## **BACKGROUND**

Chapter IV, Section 17. Council President of the John Day City Charter states the following:

- (1) At its first meeting after this charter takes effect and its first meeting of each odd-numbered year, the council shall appoint a president from its councilors.
- (2) Except in voting on questions before the council, the President shall function as mayor when the mayor is;
  - (a) Absent from a council meeting, or
  - (b) Unable to function as mayor.

## **RECOMMENDATION**

The councilors need to appoint a council president since this is the first meeting of an odd-numbered year.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** January 12, 2021  
**SUBJECT:** Agenda Item #7: Standing Committee Appointments  
• Committee Assignments

## **BACKGROUND**

Title 1, Chapter 5, Section 2 of the John Day City Code states each odd-numbered year the Mayor shall appoint standing committees.

## **DISCUSSION**

Current committee appointments are shown in the enclosure, along with the standing committees, their roles and functions. The councilors may adjust the committee responsibilities where appropriate and discuss their preferred roles.

## **RECOMMENDED MOTION**

At this time the Council President would like to appoint the councilors to the following standing committees:

- Public Safety Committee: {Identify names}
- Administrative Committee: {Identify names}
- Public Works Committee: {Identify names}
- Community Development Committee: {Identify names}

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #8: Budget Officer, Budget Committee and Planning Commission Appointments Attachment(s)

- Budget Calendar

## **BACKGROUND**

Several re-appointments are needed related to the 2021 budget committee and planning commission.

## **DISCUSSION**

**Budget Officer Appointment.** Oregon Budget Law requires taxing districts to appoint a budget officer each year. The John Day City Charter states the city manager shall prepare and transmit to the council an annual city budget.

**Planning Commission Appointments.** The planning commission consists of seven positions, each serving four-year terms, with one position appointed from the urban growth area. The terms for Neale Ledgerwood and Darin Toy on the planning commission are expiring. Both have agreed to continue serving. There remains one vacancy. The current planning commissioners are:

- Ken Boethin (Chair / UGA rep.)
- Tim Unterwegner
- Tom Wilson
- Neale Ledgerwood
- Darin Toy
- Liz Aleman
- (Vacancy)

**Budget Committee Appointments.** The budget committee consists of seven positions, each serving four-year terms. The terms for Katrina Randleas, Beth Spell and Vincent Maurer on the budget committee are expiring. Mrs. Randleas and Mrs. Spell have agreed to serve another term. If reappointed, there will be two vacancies:

- Darin Toy
- Tom Olson
- Mike Miller
- Ron Hasher
- Katrina Randleas
- Beth Spell
- (Vacancy)
- (Vacancy)

**Budget Committee Schedule.** Our first Budget Committee Meeting has been scheduled for April 20. See schedule attached for additional dates.



## **RECOMMENDED MOTIONS**

- (1) Appoint the City Manager as the Fiscal Year 2022 Budget Officer.
- (2) Re-appoint Neale Ledgerwood and Darin Toy to the John Day planning commission for a four-year term beginning January 1, 2021.
- (3) Re-appoint Katrina Randleas and Beth Spell to the John Day budget committee for a four-year term beginning January 1, 2021.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #9: Public Hearing for Ordinance 21-192-03, An Ordinance of City of John Day Adopting Policies and Procedures Governing the Disposal of Certain Classes of City-Owned Real Property  
Attachment(s)

- Ordinance 21-192-03 (Draft)
- Regional Industrial and Business Park Sales
- Tax Map 13S31E27D (Airport Industrial Park)

## **BACKGROUND**

The city council requested staff conduct a market assessment of the Airport Industrial Park to determine a Fair Market Value to sell the remaining subdivided parcels at the Park. The council also requested we evaluate expedited land sale procedures to streamline these sales and rezoning or adjusting the land use regulations to allow for more permissive land uses, like agricultural production and processing, including cannabis and industrial hemp, as well as office space, storage and other uses that are currently prohibited.

This topic presents a draft ordinance for the expedited land sale procedures and begins the public hearing process, which will continue and be concluded during our council meeting on January 26<sup>th</sup>.

## **DISCUSSION**

Ordinance 21-192-03 allows for expedited land sale procedures for certain classes of city-owned real property, including the lots at the industrial park. The ordinance allows the council to hold a public hearing related to the adoption of this ordinance, rather than having to hold separate public hearings each time we sell a parcel. The intent is to reduce the amount of workload on the city council and city staff, and expedite the sale of classes of property that are consistent and standardized that should not require repetitive public hearings.

The City hired Aaron Still Appraisal (Baker City, OR) to conduct a market analysis of similar properties sold in central and eastern Oregon (enclosed). While there is some variation, the average sale price tends to be between \$14,000 and \$20,000 per acre for lots similar in size and configuration to our Airport Industrial Park.

Lots 1-25 in the attached map could be offered for sale at a standardized price, save and except for 14-16 and 18, which are privately owned, and lots 26-27, which were deeded to the county for use by the airport. The others are the larger parcels: lot 28 is 7.21 acres and lot 29 is 54.51 acres and those could be subdivided and would have to be sold through a separate land use approval process since they are undeveloped.

I am proposing a sale price of \$15,500, with \$500 of this amount being available for a commission if the buyer is working with a realtor or broker. I am not recommending the City hire an independent realtor to market these properties at this time, but a modest commission of \$500 (approx. 3%) is appropriate for the Buyer's realtor if they are working with one.

The land use regulations are being developed by our legal counsel and planning staff and will have to go through the planning commission for approval.

## **RECOMMENDATION**

Because this is a significant change from our prior process, I am recommending we hold the public hearing tonight to begin gathering public feedback, refine the ordinance based on that feedback and the city council's review over the next two weeks, and then adopt the ordinance by emergency declaration at the January 26 meeting. This will allow the ordinance to become effective that date and will not delay our ability to begin transacting these lots, while giving enough time for the public to review and comment prior to adoption.

Recommended motions:

- (1) "I move to open the public hearing for Ordinance 21-192-03, An Ordinance of City of John Day Adopting Policies and Procedures Governing the Disposal of Certain Classes of City-Owned Real Property."

[After receiving public comment, if any]

- (2) "I move to continue the public hearing for Ordinance 21-192-03 to 7:15 PM at the January 26<sup>th</sup> city council meeting."

Council may continue to deliberate following the public comments.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #10: Resolution 21-853-01, A Resolution Establishing Water Rates, Deposits, and Other Related Charges  
Attachment(s)

- Resolution 21-853-01

## **BACKGROUND**

We pass a resolution updating water charges annually. This resolution increases base monthly water rates by \$1, as approved during the FY21 budget process.

## **DISCUSSION**

These rate increases allow us to offset cost increases to our materials and services budgets and our personnel costs. They also finance capital improvements. The water system has two capital improvements that are currently being funded by the water utility system: the Airport Industrial Park and the recent acquisition of the Iron Triangle property. The remaining debt on the Airport Industrial Park (held by WaFd) will be repaid at the end of next fiscal year on June 1, 2022. This is the date on which we can pre-pay the debt obligation without penalties and we have been saving money for the past four years to make this bullet payment. Sales of the Airport Industrial Park will accrue to the water fund and sewer fund and will also help with this pre-payment.

From that point forward, we will need to budget for system maintenance and repairs on our current water system. We have enough capacity in our system to service a population of 10,000 residents and have already paid to extend water service well outside our city limits. We do not need to increase capacity, but we do need to increase customers, which will require system expansion to service new residential lots (discussed later in the agenda).

## **RECOMMENDED MOTION**

“I move to approve Resolution 21-853-01, A Resolution Establishing Water Rates, Deposits, and Other Related Charges.”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #11: Resolution 21-854-02, A Resolution Establishing Sewer Service and Connection Charges  
Attachment(s)

- Resolution 21-854-02
- Treatment Plant Progress Report

## **BACKGROUND**

We pass a resolution updating sewer service and connection charges annually. This resolution increases base monthly sewer rates by \$12, as approved during the FY21 budget process.

## **DISCUSSION**

These rate increases allow us to offset cost increases to our materials and services budgets and our personnel costs. They also finance capital improvements. The sewer system has two capital improvements that are currently being funded by the water utility revenues: the Airport Industrial Park and the new wastewater treatment plant. Like the water fund, we are budgeting to make a bullet payment next fiscal year to retire the remaining debt in the sewer fund associated with the Airport Industrial Park. This balance, along with the Business Oregon loan on the Oregon Pine property acquisition, will be consolidated into the USDA's loan on the new treatment plant. The city must also finance the debt associated with that plant that was secured through the Business Oregon Water/Wastewater loan.

Our FY20 audit discusses these capital improvements and loan obligations in more detail. The enclosed memo also provides additional context on the status of the treatment plant, which is scheduled to begin procurement and construction this year. Six months into the operations of the new wastewater treatment plant we expect to be able to do a rate adjustment in the sewer fund. I will discuss what parameters will trigger that adjustment and how we plan to monitor our expenditures through the construction process during this topic.

## **RECOMMENDED MOTION**

“I move to approve Resolution 21-854-02, A Resolution Establishing Sewer Service and Connection Charges.”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #12: Resolution 21-855-03, A Resolution Establishing System Development Charges Attachment(s)

- Resolution 21-855-03
- FY20 SDC Annual Report

**BACKGROUND**

Resolution 21-855-03 updates our system development charges (SDCs) for 2021. This topic also presents our FY20 SDC report.

**DISCUSSION**

SDC’s for new developments, including placement of manufactured homes on their own lot, are paid by the John Day Urban Renewal Agency (URA) for lots including in the URA boundaries. The council approved the first SDC increase in a decade in 2019 through resolution 19-826-27, adopted October 8, 2019. That resolution established rates for Calendar Year 2020.

The SDC ordinance authorizes the council to adjust SDC costs to account for inflation. The consumer price index (CPI) increased 1.2 percent for the 12 month period ending November 2020. Adjusting our base rates for inflation would increase total SDC costs by \$87 (water and sewer) and would result in the following rate structure (current 2020 rates shown for reference):

<b>2020 SDC Rates</b>	<b>2021 SDC Rates</b>
Water = \$2,209 per EDU, consisting of: - \$1,186 Water Reimbursement Fee - \$1,023 Water Capital Improvement Fee	Water = \$2,235, consisting of: - \$1,200 Water Reimbursement Fee - \$1,035 Water Capital Improvement Fee
Sewer = \$5,058 per EDU, consisting of: - \$996 Sewer Reimbursement Fee - \$4,062 Sewer Capital Improvement Fee	Sewer = \$5,119 per EDU, consisting of: - \$1,008 Sewer Reimbursement Fee - \$4,111 Sewer Capital Improvement Fee
Total SDCs = \$7,267	Total SDCs = \$7,354

This increase is intended to reflect our increase in the cost of materials used to perform system expansion and reimburse estimated expenditures to our utility accounts as a result of the additional load placed on the system by new developments. As noted in FY20 SDC Report, SDC revenues increased by \$11,534.08 in the water fund and \$32,241.68 in the sewer fund, for a net gain of \$43,775.76 for FY20. There were no SDC expenditures in FY20. As a result, our ending SDC fund balance was \$114,717.51 across both funds. Prior to implementing the Urban Renewal Agency, the FY18 SDC fund balance was \$65,038.77. As a result of the Agency’s work, our SDC revenues have nearly doubled in the past two years. These funds are critical for our ability to continue to expand our utility system to serve new customers and new housing developments.

**RECOMMENDED MOTION**

“I move to approve Resolution 21-855-03, A Resolution Establishing System Development Charges.”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #13: Resolution 21-856-04, A Resolution Establishing Land Use and Development Permit and Approval Fees under Title 5, Chapter 5-4.1, Section 5.4.1.100 of the John Day City Development Code for all of the City of John Day's Land Use and Development Permit and Approvals Outlined in Table 5-4.1.100 therein and Title 5 Appeals; and Fees for Filing Measure 37 Claims under Ordinance 04-112-2; and Repealing All Previous Resolutions Establishing Fees under Title 5 or Conflicting with this Resolution.  
Attachment(s)  
• Resolution 21-856-04

## **BACKGROUND**

Resolution 21-856-04 updates the fee schedules set forth in Exhibits 2 and 3 of Resolution 05-568-17, passed on November 22, 2005. It also updates Exhibit 1 to reflect the current land use regulations approved through subsequent code amendments.

## **DISCUSSION**

Resolution 05-568-17 was passed over fifteen years ago and has not been updated since. Several changes to the code, employee salaries and contractor fees necessitate this resolution update. Changes between the 2005 and 2021 resolutions are highlighted.

## **RECOMMENDED MOTION**

“I move to approve Resolution 21-856-04, A Resolution Establishing Land Use and Development Permit and Approval Fees under Title 5, Chapter 5-4.1, Section 5.4.1.100 of the John Day City Development Code for all of the City of John Day's Land Use and Development Permit and Approvals Outlined in Table 5-4.1.100 therein and Title 5 Appeals; and Fees for Filing Measure 37 Claims under Ordinance 04-112-2; and Repealing All Previous Resolutions Establishing Fees under Title 5 or Conflicting with this Resolution.”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #14: CCS Crisis Outreach – Sarah Brown  
Attachment(s)

- CCS Purpose Letter

**BACKGROUND**

Sarah Brown, CCS, has asked to be on the agenda to discuss their crisis outreach efforts related to COVID-19.

**DISCUSSION**

Please see email attached for additional information.



**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 12, 2021

**SUBJECT:** Agenda Item #15: 2021 Strategic Planning Attachment(s)

- None

## **BACKGROUND**

This will be a year like no other. A number of major projects will go into construction in 2021, including expanded streets, the new wastewater treatment plant, new industrial land development at the Innovation Gateway and broadband improvements. We also have several senior staff changes we are anticipating over the next two years. We will likely need several work sessions to discuss these items in more detail. This purpose of this agenda topic is just to introduce those projects and items that will require additional discussion so council is aware of them and we can discuss how we want to proceed.

## **DISCUSSION**

Several items need council input prior to placing them on the agenda. Others do not require council input per se but could impact our FY22 budget.

**Streets.** We have ten street improvement projects ongoing. Most are locally funded (or only partially funded), but some include state and/or federal funding:

- 4<sup>th</sup> Street/Airport Road repairs
- Charolais Heights
- 7<sup>th</sup> Street Extension (access to new treatment plant)
- Government Way (road from Patterson to Valley View Drive)
- Gateway Business Park street (former Iron Triangle property)
- Three new streets at Ironwood Estates Phase 2/3 (one court, one loop, one drive)
- NW Johnson Drive (greenhouse / shop access)
- Mahogany Ridge Phase 1
- Downtown Parking lots
- Bridge enhancements (Oregon Pine & Hill Family Park)

We need to discuss the scope of the 2021 BUILD grant and which of these components to include. We need to discuss the anticipated cost of the 2021 BUILD grant application and potential right-of-way acquisition costs to implement the project if it is funded. We also need to discuss how quickly to adopt these roads as city streets, and naming conventions for the new roads, which have to be approved by the city council. SCA funds can only be used for existing streets, but if we classify some of these highly used but unimproved roads as city streets (i.e. Government Way) then SCA funds will be potentially available to improve them. The next SCA round is available this summer, but would require Charolais Heights to be substantially complete by July 31<sup>st</sup>.

**Innovation Gateway & Brownfield Redevelopment.** We have funds available for additional brownfield development and funding opportunities related to the greenhouse, planar shed, sawmill restoration, hotel/events center, in-city camping and the other improvements we've begun at the Gateway. All will require matching funds and significant staff time to develop. We need to prioritize these projects for the FY22 budget as we can likely do some but not all of these projects in the coming fiscal year. We also

need to discuss the transition planning for the greenhouse and the opportunity to create an agricultural cooperative to help this project continue to expand and serve our area residents.

**Broadband & GC Co-works.** A joint work session between the Grant County Digital board and the city council should be scheduled to discuss broadband expenditures, plans and strategies that are in development and what the next steps are in terms of funding and expanding our local broadband networks.

**Community Projects.** We have been working with the Ford Family Foundation on funding for the Vision Team, Downtown/Main Street & Recreation Developments. The Main Street Revitalization Grant will likely be refunded this legislative session, and we spoke briefly about establishing an arts and culture commission and heritage commission to enable us to apply for the certified local government program. These functions would best be served through a blended team that the city participates in but is not responsible for leading. We also need to resolve the transient lodging tax discussion we began with the county court in October. Some discussion is warranted to address the overarching strategy and approach to these initiatives because they will likely have budget impacts for FY22 and beyond.

**Land Use Regulations & Code Enforcement.** The City's legal counsel is working on the time, place and manner updates to allow for recreational marijuana legalization within city limits and on the zoning changes for the airport industrial park. Some discussion is needed on the parameters for those ordinances. The City's Code enforcement activities should also be reviewed prior to this fiscal year's budget to determine the extent of code enforcement we wish to engage in for FY22 and beyond. We have several active enforcements that will likely require hearings before the city council prior to us leasing properties. I want to discuss enforcement protocols and the status of these projects with the council prior to the budget meeting.

**Strategic staffing.** Chief Durr will be retiring later this year. The timing for his retirement will be based on a number of factors. He has served the city well and we want to make his transition as seamless as possible. Our public works director will likely retire toward the end of next year. Several other staff are nearing retirement age. These are critical positions that are going to require some time and thought in when and how we replace them to ensure continuity of operations. I have some ideas on how to plan for these adjustments. Ultimately all staffing decisions outside of the city manager's position are the responsibility of the city manager, but given the importance of these roles and the potential budget impacts, the transition planning warrants a broader discussion with the city council.

**Housing.** We are at a critical juncture for housing. The Ironwood Estates Phase 2/3 master planned development and Mahogany Ridge master planned developments will be ready for approval by the planning commission next month. We have SDC revenues now to assist with utility expansion and other strategic opportunities to help reduce utility expansion costs, but we have a deficit in street funding. As discussed with the county court in October, we only have three sources of street funding for the city – our state shared revenue, the timber receipts, and an occasional SCA grant. We have no debt in the street fund but we also have very little capacity for debt since the only reliable source of the three is our state shared revenue, and it is estimated at \$80 per person (\$140,000 for FY22). This is the source of funds we use to maintain all our streets and the only source we could use to collateralize debt.

Our ability to build new housing is entirely dependent on our ability to build new streets, and that is going to require a joint venture or some form of public private partnership approach with the land developers in order to offset the costs to build roads, which exceeds the value of the land once it is improved. Absent this approach, our URA receipts and new home starts will decline precipitously as most of our buildable improved lots have already been developed. Given our aging population and other demographics, this means we will likely go back into population decline after FY22 and residents will face higher utility

rates as costs increase but customers remain flat or decline. We can break free of that pattern if we can break the log jam on new home starts and figure out how to syndicate the cost of street improvements.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** January 12, 2021  
**SUBJECT:** Agenda Item #17: Other Business and Upcoming Meetings  
Attachment(s)

- None

**OTHER BUSINESS**

- Future work sessions needed

**UPCOMING MEETINGS**

- January 12, Planning Commission Hearing (Fire Hall/Virtual, 5 P.M.)
- January 12, City Council Meeting – New Position Appointments (Fire Hall/Virtual, 7 P.M.)
- January 26, City Council Meeting – Supplemental Budget (Fire Hall/Virtual, 7 P.M.)