

**John Day City Council Meeting  
March 9, 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.

## **CONSENT AGENDA**

4. **CONSENT ITEMS – PLANNING COMMISSION & BUDGET COMMITTEE APPOINTMENT**

Attachments:

- Sarah Brown Application

## **ACTION ITEMS**

5. **THADD’S PLACE PRESENTATION**

Attachments:

- None

6. **DESTINATION READY GRANT / INTEGRATED PARK SYSTEM / RERC UPDATES**

Attachments:

- Destination Ready Award Announcement

- Bridge Design / Quotes
- GC Chamber Letter

**7. EDA GRANT UPDATE & RECOMMENDATIONS**

Attachments:

- EDA Grant Process
- EDA Carry Forward Letter
- Detailed Project Costs
- CyberMill Impact Initiative
- FirstNet Map

**8. USDA GRANT – OREGON RAIN**

Attachments:

- None

**9. CDBG SMALL BUSINESS & MICROENTERPRISE PROGRAM**

Attachments:

- None

**10. HOUSING & COMMUNITY DEVELOPMENT STUDY SESSION – NEXT STEPS**

Attachments:

- Piazza letter

**OTHER BUSINESS & UPCOMING MEETINGS**

**11. OTHER BUSINESS & UPCOMING MEETINGS**

- City Manager Evaluation
- March 23, City Council Meeting (TBD) – Fire Hall/Virtual, 7 PM
- April 13, City Council Meeting – Fire Hall/Virtual, 7 PM
- April 20, First Budget Committee Meeting – Fire Hall/Virtual, 7 PM
- April 27, City Council Meeting – Fire Hall/Virtual, 7 PM

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 9, 2021

**SUBJECT:** Agenda Item #4: Consent Agenda – Planning Commission & Budget Committee  
Appointment  
Attachment(s)

- Sarah Brown Application

## **BACKGROUND**

There is one item on the consent agenda.

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### **Item 1) Sarah Brown Application / Appointment**

Sara Brown met with the council on January 12<sup>th</sup> to present a program for crisis outreach and support. She indicated at that time she would be willing to volunteer for an appointment to the planning commission and budget committee.

We have vacancies on both committees. She is a resident of John Day and otherwise meets all criteria.

**Recommendation:** Appoint Sarah Brown to the Planning Commission and Budget Committee for a three year-term.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 9, 2021

**SUBJECT:** Agenda Item #5: Thadd's Place Presentation  
Attachment(s)

- None

**BACKGROUND**

Councilor Smith asked to have Thadd's Place representatives present an overview of Thadd's place to the city council. Thadd's Place is a 501-C-3 Grief Center located next to Chester's Thriftway that began renovations last fall.

Sylvia Ross, Joe Bellinger and Councilor Smith will make the presentation.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 9, 2021

**SUBJECT:** Agenda Item #6: Destination Ready Grant / Integrated Park System / RERC Updates Attachment(s)

- Destination Ready Award Announcement
- Bridge Design / Quotes
- GC Chamber Letter

## **BACKGROUND**

The City was awarded the \$35,000 Destination Ready grant from Travel Oregon. The grant award was to purchase restrooms at the downtown parking lot. The City is also purchasing restrooms as part of the Hill Family Park improvements to the Integrated Park System. This topic will discuss the proposed procurement approach for both projects.

The Chamber has also offered to participate in the RERC strategy now that we have adopted the RERC as part of our Comprehensive Plan (see letter attached).

## **DISCUSSION**

**Destination Ready Award.** The Destination Ready grant award was announced on February 24. A project kickoff call for staff leading the project will be held March 8<sup>th</sup>. We will update the council with the results of that call. As identified in the award announcement, Travel Oregon received more than \$4 million in requests through 135 applications. We were fortunate to win this highly competitive award. The project description submitted in the application is below:

*The Pit Stop will provide ADA-accessible outdoor restrooms with improved visitor parking on Main Street, which currently does not exist in John Day. These amenities were requested by our downtown merchants to improve parking options and encourage visitors of all abilities to stop, shop and visit our local businesses. The Pit Stop is also a placemaking opportunity. As a socially distanced outdoor watering hole, it will welcome visitors as well as local residents and encourage them to meet, listen to music in a relaxed atmosphere, and get to know each other better. The kiosks at the site will feature local events and service/volunteer opportunities to encourage civic engagement. The Pit Stop will also serve as a local trailhead to the City's riverfront trail system and integrated park system, the new Blue Mountains Trail, and other destination attractions. Trail signage and waypoints funded by the Outdoor Recreation Roundtable (ORR) and Grant County Chamber of Commerce will guide visitors to local area attractions as well as downtown shopping. We are also exploring opportunities to create cultural displays, culinary experiences and public art displays at this site and throughout the community to encourage greater diversity in our community.*

**Restroom Procurement.** Travel Oregon will disburse 90 percent of the funding (\$31,500) upon the City signing a financial agreement. We can then order the restrooms. We also need to order restrooms for the Hill Family Park. I am proposing we solicit for both projects from the same vendor(s). We can request quotes and may get a discount for ordering more than one. We can also issue a contract for the foundations for both of these restrooms and the Hill Park bridge from the same general contractors. We would essentially do informal quotes for the restrooms designs and then, based on the foundation plans provided by the restroom vendors, we would incorporate those designs and the bridge foundation design

into a single bid package for solicitation this spring with two tasks, one for the downtown parking and another for the park.

**Bridge Procurement.** The City is procuring an 80’ bridge for the Hill Family Park. The bridge will span the John Day River as previously approved in the park site design review. We have solicited quotes from four vendors, as shown in the table below.

<i>Vendor</i>	<b>Continental</b>	<b>Western Wood</b>	<b>RFC</b>	<b>Rolling Barge</b>
<i>Design Style</i>	Multiple options	Vertical rail	Vertical rail	Link
<i>Price (delivered)</i>	\$134,000	\$90-98,000	\$77,800	\$60-\$65,000
<i>Materials</i>	Prefabricated steel truss	Timber (kit)	Rail car	Aluminum (kit)
<i>GVW</i>	5,000 lbs	5,000 lbs	90,000 lbs	5,000 – 10,000 lbs

Staff and our engineers are recommending the RFC bridge. It has the highest gross vehicle weight (GVW) and we can pour the foundation for the rail car in advance. It would need to be set with a crane. Once set, the bridge is bolted on and can be used immediately. RFC will sandblast and paint the bridge in any color we choose, powder coat it or leave it unpainted. CNC metal work can be added to the bridge rails and they will customize any attachments we need for utilities (i.e. reclaimed water, sewer) that can attach to the bridge. This is a functional design that will be low maintenance but can still be made to look unique with the addition of metal work and/or landscaping at the bridge entrances. It can also be used for emergency ingress/egress if needed.

**GC Chamber Participation.** The Chamber has asked to be part of the Vision Team to help envision the use of this space and to participate in the other RERC goals. The RERC Plan is has now been adopted as part of our Comprehensive Plan under Goal 8, Recreational Needs. It should also become a core part of our tourism promotion strategy for our community. The Vision Team has not been formally organized but participation by a member of the Chamber is appropriate and would be helpful even at this early stage in the planning process.

## **RECOMMENDATION**

- Formal motion to approve the acquisition of the bridge design you select
- Consensus on the procurement approach for the restrooms
- Discussion and consensus on Chamber’s participation request

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 9, 2021

**SUBJECT:** Agenda Item #7: EDA Grant Update & Recommendations  
Attachment(s)

- EDA Grant Process
- EDA Carry Forward Letter
- Detailed Project Costs
- CyberMill Impact Initiative
- FirstNet Map

## **BACKGROUND**

The EDA Regional Director reviewed the recommendations made by the Investment Review Committee (IRC) and sent us a “carry forward” letter, which will require us to make adjustments to the application and resubmit no later than March 22<sup>nd</sup> if we wish to continue to be considered for funding.

The total project cost in the application is \$2,160,838.67; in our revised application we requested \$1,944,754.80 in grant funding from EDA (90 percent) and committed \$188,028.04 from Grant County Digital/John Day (up from \$175,208 previously committed) and \$28,055.83 from GCECA (totaling 10 percent in the revised application).

This topic will be discussed with the Grant County Digital board on March 4<sup>th</sup> and they will make a recommendation to the city council.

## **DISCUSSION**

During the application process, the IRC asked us to make several changes to the application, including removing the Ironwood Estates housing development (4 jobs) and requiring OTC to competitively bid the application (3 jobs, \$270,000 in private investment). The net result was to remove the “private” side of our proposed public private partnership, which eliminated just over 10 percent of our required 20 percent match and removed the private sector job creation commitments we had secured through our proposal.

I resubmitted the application on January 7 and received the carry forward letter attached, which requires us to make some tactical and strategic decisions with regard to this grant for each application task.

### **Task 1 – Community Broadband**

- EDA is requiring OTC to competitively bid for this work. We can draft a solicitation and compete it but this will remove their \$270,000 match;
- I increased our match in the application I resubmitted on Jan 07 to get us to 10 percent, which EDA will accept if we can document we have exhausted our borrowing capacity. I believe I can get a letter from our Bond Counsel to that effect. Otherwise, we will need to increase our match by an additional 10 percent, which is \$216,083. The IT Fund has \$1.5M remaining, of which \$1M is obligated to ReConnect. Providing a match of \$400,000 to secure this grant would effectively exhaust our fund balance;
- Under this model, OTC would pay an annual fee to the board for use of the dark fiber network, but the amount of that fee would be subject to negotiation following their bid (i.e. we would calculate the number of potential customers to be served over the life of the lease agreement of

apx. 20 years and determine an equitable annual lease cost for OTC to use the network vs. having to build their own).

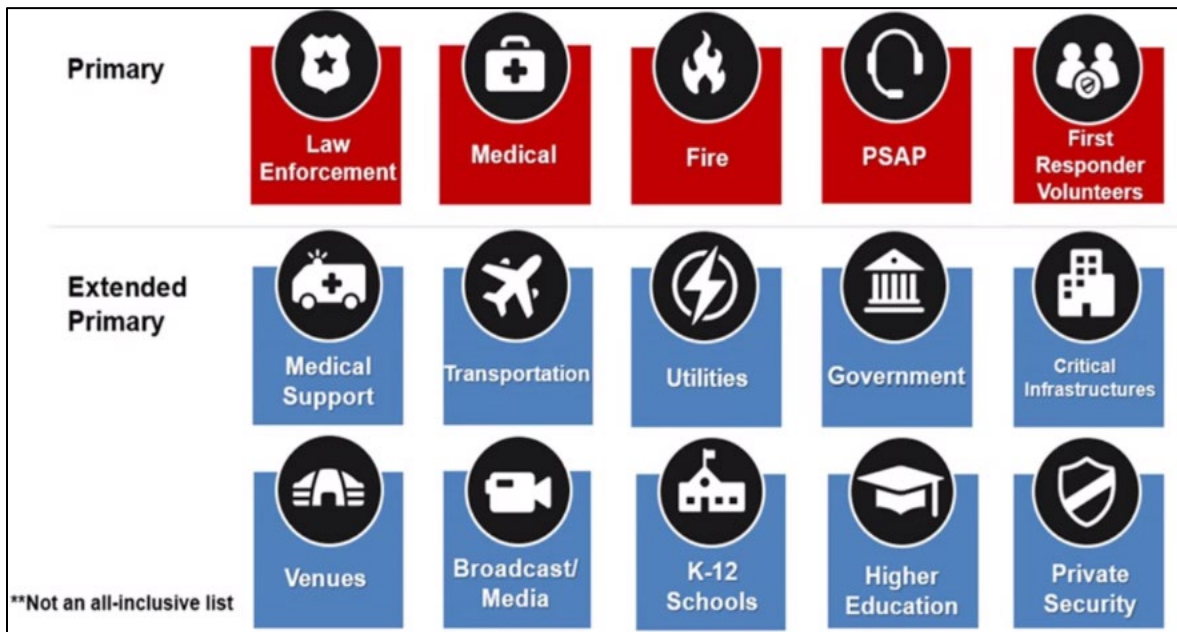
**Update:** I spoke with our bond counsel on March 4<sup>th</sup>. Under Oregon law, there is not a legal limit to the amount of debt a municipality can incur. This question is likely because the EDA grant is nationwide. The real issue is our ability to pay. We can draft a response to that effect and see if it will answer the mail.

**Task 2 – GCECA Emergency Communications Equipment Upgrades**

- EDA requested we consult with FirstNet (<https://firstnet.gov/>) and coordinate all project components; Valerie Maynard and I have completed this and will have a letter from FirstNet to that effect;
- EDA requested we provide additional information on how all 9-1-1 emergency usages are compliant with Federal Communications Commission (FCC) communications requirements; we have FCC licenses for our radios and can submit that they are compliant and this request will not affect our licenses.

**Update:** We spoke with AT&T FirstNet staff on March 4<sup>th</sup> to discuss compatibility of the FirstNet program with the proposed radios/consoles to be purchased by GCECA through this grant. FirstNet is a national public safety/broadband network that includes deployable cellular capabilities for mobile emergency response. AT&T was awarded a 25-year contract in March 2017 to provide this service. Their private core network was built out in March 2018 and reached one million connections to over 10,000 public safety agencies nationwide in December 2019.

Under FirstNet, devices are FirstNet “ready” when they can accept a black FirstNet SIM card, which provides the device with wireless access to the FirstNet cellular network. First responders have priority access on this network for cellular communications. AT&T provides spectrum management services to ensure the first responders get priority access to the network as “Primary” users. Extended Primary users can also be included in a support contract, as shown below.



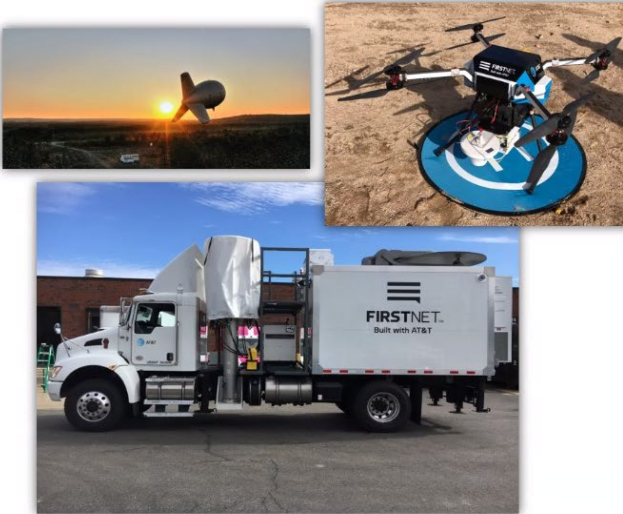


Grant County Digital has already built fiber between our primary and some of our extended primary facilities in John Day. This EDA grant will complete the fiber buildout and allow all of these facilities to communicate on one intranet in addition to externally through FirstNet in the event we lose connectivity outside the county. The first responders receive priority access on *all* AT&T LTE bands with 24/7/365 priority and preemption for first responders, including through deployables (next picture). AT&T will respond within 14 hours for FirstNet customers.

FirstNet-dedicated deployables, such as Satellite Cells on Light Trucks, are mobile cell sites that link to FirstNet via satellite. They don't rely on commercial power availability. They provide first responders with connectivity. FirstNet SatCOLT assets:

- Can **support both planned and unplanned** events
- Are **Band 14 enabled**
- Provide voice (including Voice over IP, VoLTE), data, location, messaging, First Priority® (QPP)
- Up to 25Mbps downlink and 8 Mbps uplink

In addition, the **FirstNet Response Operations Group** at AT&T, led by former first responders, will work with agencies to determine the appropriate asset – or resolution – based on the situation.



FirstNet cell towers are scheduled to be installed this year in Ritter, Long Creek and Aldrich, between June and December. FirstNet has provided us with a coverage map showing the current coverage area. This does NOT include coverage to be provided with the three proposed towers.

[Insert graphic of coverage map]

FirstNet staff are going to evaluate the AVTEC Scout consoles and provide us with a quote for interoperability and service on FirstNet by March 23<sup>rd</sup>.

**Task 3 – GC Coworks Co-working Space**

- EDA noted we will need to have title to the property in John Day or a 15-year lease agreement;
- EDA asked for a stronger nexus to COVID – the Cyber Mill impact survey should suffice (enclosed).

**DECISIONS NEEDED**

**Lease Agreement v. Purchase.** The building owner is willing to sell the building for \$80,000 – as proposed in our application. This would require us to enter into a purchase and sale agreement prior to re-submitting. Alternatively, we could lease the building (est. \$850 / mo. = \$10,200 / yr. = \$153,000 / 15 yrs) but even with fixed rates and no increases we would pay almost twice as much to rent vs. own.

Making the building improvements would likely double the building's value, as we are proposing to acquire for \$80,000 and invest over \$115,000 into tenant improvements. It is a better overall value to purchase the building but this would require a recommendation from the board to the city council as the City of John Day would have to hold the asset on their books.

I will present the board's recommendation of rent. vs. buy at the city council meeting.

**Matching Funds.** We should discuss whether the board and council would consider increasing the match, if needed.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 9, 2021

**SUBJECT:** Agenda Item #8: USDA Grant – Oregon RAIN  
Attachment(s)

- None

## **BACKGROUND**

Oregon RAIN would like to apply for the USDA's Rural Business Development Grant (RBDG) program. The current USDA grant supporting Grant County ends June 30th, so this one would begin shortly after that one ends. The County was the applicant for that one and RAIN would like the City of John Day to be the lead applicant on this next one. RAIN would write the grant, perform the services, and manage the grant, but John Day would be the fiscal agent and receive the funds, then pass them through to RAIN.

## **DISCUSSION**

The deadline is March 31<sup>st</sup>. If the council agrees, RAIN would apply and these funds would keep sustaining Stephanie's role into 2022. The grant would be \$49,000 and RAIN will provide a \$50,000 match, which includes the \$15,800 provided by our region (Grant County, John Day, Prairie City, and Canyon City).

## **RECOMMENDATION**

We could incorporate these funds into our Community Development Fund as part of our upcoming budget process, with a revenue and expenditure line dedicated to this program. These funds will be subject to a single scope federal audit if total federal funding for the City exceeds \$750,000 next fiscal year; we are programmed to receive \$2.3 million through the CDBG program and apx. \$1 million through FEMA, so we are expecting to cross this threshold in FY22.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 9, 2021

**SUBJECT:** Agenda Item #9: CDBG Small Business & Microenterprise Program Attachment(s)

- None

## **BACKGROUND**

The small business and microenterprise assistance (SBMA) program is Community Development Block Grant (CDBG) funding in response to the economic impact of the pandemic by providing assistance to low and moderate income households impacted by COVID-19.

The state CDBG-CV program will be providing the following assistance:

- New job creation as necessary to new businesses or business expansion due to COVID-19
- Avoid job loss caused by business closures by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate income persons
- Provide technical assistance, grants and other financial assistance to establish, stabilize, and expand microenterprise businesses that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

Microenterprise means a commercial enterprise that has five (5) or fewer FTE, including one (1) or more who owns the enterprise; Small Business means a business that is independently owned and operated and which is not dominant in its field of operation and in conformity with specific industry criteria defined by the Small Business Administration (SBA).

## **DISCUSSION**

The City is eligible to apply for this program to help businesses retain or create jobs held by low- to moderate-income people.

In Grant County, that will mean jobs paying less than about \$35,000/year. The target demographic to be served are businesses that have been impacted by shutdown orders—hospitality, restaurant, tourism, etc.

There are two tracks, which we may combine:

1. **Small Business:** We can award small businesses up to \$2,500 per job retained or the amount of demonstrated revenue loss due to COVID, whichever is less. We use the SBA definition of small business. The CDBG office recommends using this track, as the paperwork burden is much lower than the microenterprise track. They will verify income eligibility of positions supported with a payroll report from the employer; [here](#) is a template. Note that with this track, they assume all households are 1 person households, and use the income limits for that.
2. **Microenterprise:** They can award microenterprises up to \$10,000 or the amount of demonstrated revenue loss due to COVID, whichever is less. Microenterprises are 5 or fewer employees (so, after 3 employees, the amount of assistance available equals the small biz track--\$2,500x4 = \$10,000). Microenterprises must prove actual household income with tax returns, bank statements, etc. *This program is much harder to administer.* [Here](#) is a template form.

John Day would have to partner with at least one other community. Grants max out at \$100,000 per participating City up to \$500,000, *or* \$500,000 per County. John Day could sponsor an application that serves all of Grant County for  $\leq$ \$500,000, or could team up with just one city for a \$200,000 grant. The CDBG office has a significant amount of this money available.

John Day would be the applicant, but must work with a 501(c)(3) non-profit organization as a sub-recipient to administer the program. The nonprofit preferably has some experience with small business lending or underwriting but they can be flexible with this. Subgrantees so far have included economic development districts, community development organizations running IDA programs, CDFIs, etc. The subgrantee will need to write program policies, solicit and vet applications from businesses, cut checks to businesses, and collect (very brief) follow-up reports from businesses 6 months later.

Program guidelines include an allowance for program management of up to 15% or \$35,000, whichever is less. Program management is the work the sub-grantee will do—process applications, collect reports from businesses, etc. The program also includes an allowance for grant administration of up to 10% or \$35,000. This would have to be contracted by the City – as a government agency we are not eligible for any cost reimbursement for CDBG grant administration. The contracting agency would handle disbursement request processing, CDBG reporting, paperwork, etc.

## **RECOMMENDATION**

This would add work load to our staff but could be administered through Ducote Consulting or another CDBG grant provider and we have sub-grantee organizations like Grant County Economic Council who could potentially administer the program locally. This would build nonprofit capacity by adding to their portfolio of services.

Council should discuss whether we would like to provide this as a pass through service for our small businesses and with whom we could potentially partner.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 9, 2021

**SUBJECT:** Agenda Item #10: Housing and Community Development Study Session – Next Steps Attachment(s)

- Piazza letter

## **BACKGROUND**

The County Court has not accepted our invitation to a study session at this time.

We will discuss next steps with regard to our housing strategy and how we wish to proceed.

## **DISCUSSION**

The City began 2021 with a strategy session where we discussed our ten ongoing street improvement projects, the Innovation Gateway and Brownfields Redevelopment work we're doing to restore our riverfront, broadband and GC Coworks/CyberMill investments we're supporting, various community development projects and housing.

We've made significant progress on these projects and programs. The RFP for the Charolais Heights intersection project has been released and will be awarded on March 23<sup>rd</sup>, we are in the final stages of the EDA broadband grant application (which includes fiber to the Grant County Regional Airport and the County Court) and we've made progress on our strategic staffing.

These projects benefit John Day in numerous ways that we haven't fully elucidated. For example, the addition of 100 homes (as proposed by the URA Plan) would add \$120,000 to our utility income annually. That would allow us to reduce utility rates for all our customers by \$15 per month.

In a recent letter to the council, Ms. Dorothy Piazza expressed her frustration about the increase in rates (letter attached). Several residents have contacted City Hall expressing similar concerns. Our County Judge in statements to the Blue Mountain Eagle suggested the majority of our residents don't want us to grow. I'm not sure what basis he has for making that statement, but I am confident the majority of our residents do NOT want future rate increases and would really appreciate a rate reduction. Building housing widens our customer base and allows us to reduce costs for all our residents by putting more customers on our existing system. It also increases the county's tax base significantly, as do the other construction projects happening in John Day (and nowhere else). These things seem intuitive but apparently they are not.

We need to figure out how to convey the full message in a manner in which it can be understood, and at least discussed, so that we have options to reduce costs and continue to provide services for our residents. We need to encourage residents to contact the county court and express their true opinion if they do not agree with the statements expressed by the Judge about our city.

I am enclosing our January discussion topics for reference and as a reminder that these topics are not one-off, random discussions we have occasionally. They are a core part of our Strategy for Growth adopted by the city council in 2017 that has been discussed in nearly every council meeting for the past four years.

**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 leaning 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:** March 9, 2021  
**SUBJECT:** Agenda Item #11: Other Business and Upcoming Meetings  
Attachment(s)

- None

#### **OTHER BUSINESS**

- City Manager Evaluation
  - I have provided the council with electronic evaluation forms for my annual evaluation. Written forms are included in your packets.
  - I am currently at Range 11 Step 6, which took effect July 2019. As part of the budget process or following my evaluation, council will need to make a formal motion to move me to Range 11 Step 7. All other staff increases are approved by the City Manager. We will provide an updated salary schedule for the budget committee.
  - We are also proposing a one percent cost of living increase for all staff in FY22's budget. We have not had a COLA since 2019.

#### **UPCOMING MEETINGS**

- March 23, City Council Meeting (TBD) – Fire Hall/Virtual, 7 PM
- April 13, City Council Meeting – Fire Hall/Virtual, 7 PM
- April 20, First Budget Committee Meeting – Fire Hall/Virtual, 7 PM
- April 27, City Council Meeting – Fire Hall/Virtual, 7 PM