

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

March 23 ,2021

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Paul Smith, Council President
David Holland
Shannon Adair
Elliott Sky
Heather Rookstool
Gregg Haberly

COUNCILORS ABSENT

CITY STAFF PRESENT

Nicholas Green, Executive Director
Lindy Berry, Secretary
Daisy Goebel, Associate Planner

Anna Bass, City Recorded (virtual)
LauraBeth Wallenstein, Agribusiness Project
Mgr (virtual)

**GUESTS PRESENT (VIRTUAL UNLESS INDICATED
AS IN-PERSON)**

Stephanie LeQuieu (in person)
Sherrie Rininger (in person)
Rudy Diaz (in person)
John Morris, Luce Long Ditch (in person)
Ken Kataroff
Bob Long RG, CWRE

Roberta Fox
Didgette McCracken
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Agenda Item No. 1—Open and Note Attendance

Mayor Lundbom called the meeting to order at 7:00 p.m., noting everyone was present.

Agenda Item No. 2—Approval of Prior Minutes

The minutes from the March 9, 2021 meeting were presented for approval.

Councilor Holland moved to approve the March 9, 2021 minutes. The motion was seconded by Councilor Sky and passed unanimously.

Agenda Item No. 3—Appearance of Interested Citizens

Mayor Lundbom invited the guests to share items not on the agenda. Audience member, John Morris noted he had an interest in action item No. 7.

Agenda Item No. 4—Consent Agenda (7:01 PM)

Mayor Lundbom asked if there were any questions. None *appeared*.

Councilor Holland made a motion to approve the consent agenda. The motion was seconded by Councilor Adair and passed unanimously.

Action Item No. 5—Continuation of Public Hearing for Ordinance No. 20-187-08 (7:01 PM)

Mayor Lundbom invited City Manager Green to speak. Based upon feedback from the Council they plan to review the public nuisance ordinance at a later date. City Manager Green explained there were no written comments in response to the article. He recommended remanding the amendment back to the planning commission for a meeting on April 7th at 6:00 pm.

Mayor Lundbom invited attendees to comment. *None appeared.*

Council President Smith made a motion to remand AMD-20-10 to the Planning Commission for their public hearing on April 7, 6 PM at the John Day Fire Hall, and direct staff to modify the abatement procedures to incorporate enforcement language into the proposed amendment that is specific to the development code. The motion was seconded by Councilor Holland and passed unanimously.

Action Item No. 6—Charolais Heights Street Improvement Award (7:03 PM)

City Manager Green shared the bids received. He recommended the acceptance of the Tidewater Contractors LLC bid. Schedule A is the core work, Schedule B is the work to pulverize the existing asphalt to use as a base. Under ORS 279C.305 and the public contracting code, the City is required to award the lowest bid outside of extenuating circumstances. There is a seven-day appeal period following a notice of intent to award. If there are no appeals, they can issue the notice of award, get the contract signed, and proceed with insurance and bonding. Once these are in place, they will issue a notice to proceed and Tidewater may start construction.

At 7:05 pm notification was received that virtual attendees were unable to connect to the meeting. The technical difficulties were addressed.

Mayor Lundbom asked if there were comments or questions on any action items from attendees. Audience member, Kent Katzaroff commented that he was uncertain if there would be enough time for people to comment prior to the April 7th meeting. He clarified that comments are not just related to the nuisance ordinance and requested that the City start the process of nuisance code amendments at the same time and approach as one solid package. City Manager Green responded that there will be another staff report with time for people to comment. He stated he was not recommending to dive in to the public nuisance ordinance and that code language at this time. The abatement procedures that go into the development code amendment will be specific to the development code.

Mayor Lundbom redirected to Action Item No. 6 and restated that Tidewater would be awarded the contract.

Councilor Adair made a motion to issue a Notice of Intent to Award the Charolais Heights Street Improvement contract to Tidewater Contractors LLC based on their bid submitted on Friday, March 19th, 2021 for a not to-exceed price of \$73,319 for Schedule A and \$5,680 for Schedule B if the City chooses to exercise this option. The motion was seconded by Councilor Haberly and passed unanimously.

Councilor Holland made a motion to authorize the City Manager to issue a Notice of Award provided there are no appeals of the Tidewater Contractors LLC bid. The motion was seconded by Councilor Adair and passed unanimously.

Mayor Lundbom asked if there was any other business. *None appeared.*

Action Item No. 7—Treatment Plant Update (7:12 PM)

City Manger Green explained he was not looking for a final decision, but that some decisions would need to be made at that meeting. He referenced charts in the packets provided to the Council that provided a simple explanation of the function along with pros and cons of each system. Every presented system has the capability to treat to Class A water. The costs range from \$8.1M to \$10M. All options come in below the original budget of \$11.4M. City Manager Green shared that the engineers are recommending improvements to the wastewater collection system which were not in the original budget. It's possible that the DEQ may approve the treatment plant with a Class B effluent to begin with which would reduce the cost to \$7.3M for the SBR and around \$8.3M for the Aero-Mod or Oxidation. Staff are not recommending consideration of the MBR. Of the three remaining systems, the City's current plant operator, Oren Wyss has operated the SBR system. The SBR would allow for on the job training and is fairly simple for operation.

Mayor Lundbom invited the Council to comment or ask questions. Councilor Sky asked if there was a prioritization of what items are needed or desired and should be looked into more in depth. City Manager Green replied that a more in-depth report was available and that there has been discussion surrounding the quantitative factors. Councilor Sky asked for clarification about the Class B treatment. City Manager Green explained that the intended use would be log deck watering, reuse on the property for irrigation and possibly future connection for irrigation use in the community. Class B will work for what the City needs. Councilor Holland added that the design would allow for future modification to upgrade to Class A. Councilor Haberly inquired about accepting septic. City Manager Green stated the SBR could handle processing the septic.

City Manager Green invited Bob Long to speak further on the Maui decision and WPCF permit. Mr. Long explained this is a unique permitting situation. The Supreme Court made a decision last year and the EPA then provided guidance to the States. The Maui decision was based upon a situation on the Island of Maui. The State of Hawaii had issued a permit that allowed for wastewater to be discharged to ground water. In Maui, the water was being discharged into a lava tube which in function, ran minimally treated wastewater into the Ocean. A seven-point criteria was created as a result. Mr. Long has met with the Permit Officer and the Eastern Regional Hydrogeologist. They felt there were some data gaps in regards to the aquafer from the previous consultant. He explained they have performed a thorough pump test and some infiltration testing along with technical tests to demonstrate the seven-point criteria can be met. He felt that the scope of work puts the city in a really good position and allow the DEQ to issue an NPDES permit. He added that he has a report that the Council can review and would be glad to answer any questions. Councilor Holland provided an example from his experience working in Public Works. He brought up concerns about his experience with the California decision. Mr. Long answered that he did not believe it was relevant at this time and that the California Decision will not play into this permitting path.

City Manager Green addressed the differences between John Day and Maui, the wastewater is not being pumped into a pristine body of water, the City has worked to reclaim the brown field and they are not a

new discharger. He stated his concern that the current treatment plant would be directly discharging raw sewage if a flood were to occur. He requested that the Council give approval to continue pursuit of DEQ issuing the permit. He asked for approval to procure a contract with Bob Long not to exceed \$150,000.

Councilor Holland brought up that the City has been conducting groundwater discharge testing for years, testing water quality. He was confused where the gaps are in the data. City Manager Green noted he is aware the volume is an issue and invited Mr. Long to speak more in depth. Mr. Long stated the DEQ seemed to have two things they were looking for which included real time vertical infiltration testing at the proposed location of the test site and the horizontal permeability flow path.

Mayor Lundbom asked for a consensus on awarding the contract. Council agreed to consent.

Mayor Lundbom invited audience member, John Morris to speak. He shared that the City had sent a letter to the ditch company stating the City could supply water to the ditch. The ditches are shut off September 30th through April 1st which allows for maintenance work. He stated that there may be some residents that pull water from the ditch to irrigate gardens. He had concerns that the DEQ may not allow this. City Manager Green explained the water will be put back into the ground to diffuse naturally. If there were additional uses for that water, the City would like the water to be put to use by the community. The primary objective is to get water to Malheur Lumber and the Torrefaction Plant. City Manager Green added that they've reached out to the Farmers Conservation Alliance to discuss possible reuse.

Council President Smith inquired about the filtration part of the process having minimal effect on the diversion. City Manager Green explained that unless a purple pipe was run to the point of diversion or somewhere west of it there would be no effect on current diversion. He felt it was an opportunity to provide the community with water that could be used.

Mayor Lundbom asked City Manager Green to touch briefly on distribution system. City Manager Green stated he recommended decoupling as not to disrupt the financing or add the need for additional environmental studies.

Mayor Lundbom asked for a consensus. *All in agreement.*

Action Item No. 8—Resolution No. 21-857-05 (7:48PM)

City Manager Green presented a chart detailing the revised budget for the procurement. The first column was the water/wastewater funding which was the resolution to be approved at the time of the meeting. The following column shows the funding from the CDBG. The original application was withdrawn due to the wastewater contract not being approved. The original intake has been revamped and they will go through the second round of CDBG starting next month. The other local funds column is the City's match. The cost profile will be amended to pull \$200,000 for design and engineering to pay for Mr. Long's work on the permitting. The resolution was to approve the funding in the first column of the spreadsheet.

Mayor Lundbom inquired what would occur with the CDBG if the DEQ does not permit in a timely manner. City Manager Green answered it can be awarded contingent upon the permit being obtained.

Councilor Adair made a motion to approve Resolution No. 21-857-05, A Resolution of City of John Day Authorizing and Approving City of John Day Obtaining a Grant and Loan from State of Oregon, Acting by and through its Oregon Business Development Department, Pursuant to the Terms and Conditions of a Certain Water Fund Financing Contract. The motion was seconded by Councilor Rookstool and passed unanimously.

Action Item No. 9—Law Enforcement Transition Options (7:52 PM)

City Manager Green provided the Council with a summary going back 21 years showing revenues and expenditures. He provided a brief history of the departments work and revenue sources. The large portion of expenditures is in personnel. He explained concerns with upcoming bargaining, aging equipment and the cost to replace Chief Durr. In past years, the City has seen significant cost increases that outpace revenue. The current gap is a little over \$400,000 and the City has lost residents. The City is trying to provide a level of service that is not sustainable. The State shared revenue from alcohol and cigarette tax is not significant enough to make a marked difference. The City does not have the money to sustain the department without making significant cuts.

Councilor Rookstool inquired about discussions with Sheriff McKinley and the County. City Manager Green noted there has been some discussion with Sheriff McKinley and he believes they could come to an agreement that is reasonable. The City could go to the public to balance the budget, or they will need to actively pursue an agreement with the County. He stated that the law requires the City pay for transferring personnel. There is a need to show the public what it costs to provide this service. Councilors brainstormed ideas to reduce costs. Concerns were raised about burn out, safety, and how mutual aid would work. City Manager Green explained that John Day is unique in being a small city that maintains their own Police Department. He had concerns about current legislation being discussed, that if passed would greatly increase the cost to the City.

Councilor Sky asked to clarify how long the City would be responsible for paying for the transferring personnel. City Manager Green explained that by law, the City would be paying the transferring personnel wages for a year. The County has stated the City would need to pay for four Full Time Employees. Several Councilors expressed concerns that other cities are not paying, but John Day would be expected to pay what is required. Ideas to create a community wide conversation and potential solutions. Councilor Adair felt the cost and revenue shows the City cannot afford to maintain a Police Force. And the County needs to address this as a whole. Councilor Rookstool inquired if this discussion is occurring due to the retirement of Chief Durr. City Manager Green explained it is occurring due to the unlikelihood of finding another Chief like Chief Durr and with the legislation being discussed, costs would only increase. The City has been pulling funds from other areas and it is not sustainable. Past forecasts planned for an additional 500 residents. Several Councilors brought up memories of levys in the past for police and fire. City Manager Green stated a 5-year option levy could be presented to the residents of John Day. Councilor Sky stated as a resident he would be disappointed if the city continues to operate at the current rate and continue to pull funding from other important sources for the City. Mayor Lundbom asked the council if they have had any discussion with their constituents. Councilor Haberly asked about potential liability associated with attempting to cut back to decrease costs. City Manager Green agreed and stated they would see burnout and Officers may decide to leave the department. Council President Smith shared some of the discussions he had with community members. The idea of a local option levy was discussed, \$0.10 per \$1,000. He asked what is gained from the tax dollars and the State shared revenue reiterating that they do not generate near enough to operate. City Manager Green stated the City pays one hundred percent of the property tax then \$150,000 comes

from transfers and other revenue sources. Mayor Lundbom expressed concerns about upcoming bargaining on top of already increasing costs. Several Councilors expressed concern from residents about losing the department. There is confusion about purchases that have been made and why those funds could not be used towards the Police Department. Several Councilors discussed that the majority of the purchases were funded by grants that could not be spent on the Police Department. Councilors discussed the idea of a public hearing.

Councilors asked about meeting with the County. City Manager Green stated the City wants to see Sheriff McKinley be successful and that they could arrange for a meeting to discuss more in depth. He reiterated that he needs the Council to meet with their constituents and tell him what the residents of John Day want. Council President Smith asked what needs to be done in the short term. City Manager Green explained that in the short term, the budget must be balanced. If no agreement is reached to transition to the County and the local option levy does not pass, the department will be forced to close. The local option levy would be voted on in September. The Council will need to come up with a plan for the interim for all possible outcomes. Council to arrange for a study session with Sheriff McKinley and the County Commissioner that oversees law enforcement.

A decision must be made by the end of next month, if the City will be recruiting a new Chief or if the transition with the County will be the next step. There were concerns brought up that it would be difficult to recruit a new Chief when the funding for the department has not been secured. City Manager Green expressed concerns about asking the public for money at this time with the current economic climate. He stated the City can afford to cover the cost of transferring three full-time employees and balance the budget. He explained that the City is performing the same functions as the County at the same cost, but with a much smaller revenue base.

Councilor Holland brought up that the Sheriffs Office may not have the funding to sustain the employment of additional personnel. City Manager Green brought up that DHS has Cops grants, but it has not yet come out, so it would be difficult to apply and count on those funds. He suggested that John Day could create a contract with the County to pay toward personnel to patrol the City. Several Councilors agreed that they like the idea to pay extra to secure additional patrols. Mayor Lundbom suggested paying extra on a per call basis or other types of formulas that could be arranged.

Council agreed a study session with the County should take place.

Action Item No. 10—CDBG Small Business & Microenterprise Program Grant Update (8:47 PM)

City Manager Green shared that he has a team and if the Council approves, it can be done. Councilor Rookstool inquired about the grant and the Grant County Economic Council is not up to date. City Manager Green replied that they have some paperwork to file. He would like to contract to a local nonprofit and another nonprofit that can coach and mentor to build up the local nonprofit. Councilor Sky asked if Mayor Hamsher was interested. City Manager Green said he did not have a concrete answer, but that Prairie City and John Day partner well together. Between John Day and Prairie City there are enough businesses licensed they could pursue both. Council President Smith asked about which grant to pursue. City Manager Green stated he would run the numbers to see which would give the most potential applicants. Would like to go the route to make the biggest impact. Current process would mean a decision around late May

Mayor Lundbom asked for a consensus. *All in agreement.*

Action Item No. 11—Travel Oregon Competitive Recovery Grant Program (8:50 PM)

City Manager Green explained the city is eligible to apply for up to \$100,000 in funding through this program. He asked Associate Planner, Daisy Goebel to present. She began explaining that they've addressed all possibilities from being awarded all of the funding, to minimal funding. Mrs. Goebel explained that the current signage shows how to leave the City, but there is not much signage showing all that the City offers. She felt that the City has a lot of wonderful trails and parks, but if you were from out of the area, you would struggle to find these beautiful recreation opportunities. There are many signs to churches in the City, but minimal signage to parks. She explained that wayfinding signs are an opportunity for improvement. An example of signage that has been installed and well done in the City include, Davis Creek Park and John Day Bike Park. Mrs. Goebel felt it was important to have a cohesive design element. There is an opportunity for cultural elements- plaques or monuments to commemorate the history of John Day. The current entryways could be improved from all directions. Other areas of opportunity would be installation of historical signs or kiosks. Mrs. Goebel provided photos of the Wright Chevrolet parking lot and the electric car charging station. She explained that there is a need for signs not only directing people to the 7th Street Complex, but also provide information about what's there. Other recreation areas that have room for improvement with signage include Prospector's Trail and Hill Family Park. Mrs. Goebel also shared a map with Council that provided an overview of the locations.

The Council thanked Mrs. Goebel for her time and shared excitement about the possibilities. City Manager Green added that the work that has been completed to improve recreation areas makes the application very strong. Councilor Sky inquired about the turnaround time. The grant application is due in seven days on March 31, 2021. The printed date on the agenda is incorrect. Council encouraged City Manager Green to complete the application. Council President Smith asked if they have signage money currently. City Manager Green shared they currently have \$8,000. Council agreed to approve pursuit of this grant.

Action Item No. 12—Other Business & Upcoming Meetings (9:05 PM)

Council reviewed the response City Manager Green wrote the EDA and applauded his response letter. City Manager Green shared that the IRC will be reviewing the application April 2nd. Councilor Rookstool inquired about possible COVID money in the pipeline. City Manager Green stated that there's rumor of a broadband package in the upcoming stimulus bill. He expressed concern that if the funds were to be wrapped up with federal agencies it creates difficulty in obtaining the funds.

Mayor Lundbom reviewed the upcoming meetings.

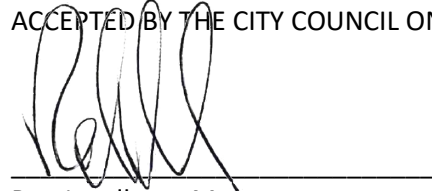
Study Session planned for Wednesday, March 31st at 7:00 pm. City Manager Green reviewed items to be addressed during the session including the Chamber doing a presentation on marketing and brand design, greenhouse cost revenue and cooperative transition, County Economic Development Office, continuation of law enforcement discussion, the Whiskey Gulch Gang has requested assistance for prize money for the demolition derby and a few items needed for the budget.

Councilor Holland moved to close the meeting at 9:09 PM. The motion was seconded by Councilor Sky and passed unanimously.

Respectfully Submitted:

Nicholas Green, City Manager

ACCEPTED BY THE CITY COUNCIL ON April 13, 2021.

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

Ron Lundbom, Mayor