

**John Day City Council Meeting
March 23, 2021
316 S. Canyon Boulevard**

**7:00 PM CITY COUNCIL MEETING
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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**
Attachments:
 - P18011 A-02 (CDBG Wastewater System Improvements – Amendment 02)

ACTION ITEMS

5. **CONTINUATION OF PUBLIC HEARING FOR ORDINANCE NO. 20-187-08, AN ORDINANCE AMENDING THE JOHN DAY DEVELOPMENT CODE TO STRENGTHEN AND CLARIFY ENFORCEMENT PROVISIONS WITHIN THE CODE (TYPE IV PROCEDURE)**
Attachments:
 - RHP Letter to City Council
6. **CHAROLAIS HEIGHTS STREET IMPROVEMENT AWARD**
Attachments:

- Bid Memo
- Bid Tab

7. TREATMENT PLANT UPDATE

Attachments:

- Hydrogeologic Investigation – Scope of Work

8. 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.

Attachments:

- Resolution 21-857-05

9. LAW ENFORCMENT TRANSITION OPTIONS

Attachments:

- Police Overview & Cost Summary

10. CDBG SMALL BUSINESS & MICROENTERPRISE PROGRAM GRANT UPDATE

Attachments:

- None

11. TRAVEL OREGON COMPETITIVE RECOVERY GRANT PROGRAM

Attachments:

- Budgetary Cost Estimate
- Signage Baseline Study
- Signage Plan

OTHER BUSINESS & UPCOMING MEETINGS

12. OTHER BUSINESS & UPCOMING MEETINGS

- EDA Grant Response
- March 31, City Council Budget Study Session – 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

EXECUTIVE SESSION

13. EXECUTIVE SESSION PER ORS 192.610(2)(i) TO REVIEW AND EVALUATE THE EMPLOYMENT-RELATED PERFORMANCE OF THE CHIEF EXECUTIVE OFFICER OF ANY PUBLIC BODY, A PUBLIC OFFICER, EMPLOYEE OR STAFF MEMBER WHO DOES NOT REQUEST AN OPEN HEARING.

Attachments:

- None

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: March 23, 2021
SUBJECT: Agenda Item #4: Consent Agenda
Attachment(s)

- P18011 A-02 (CDBG Wastewater System Improvements – Amendment 02)

BACKGROUND

There is one item on the consent agenda.

Item 1) CDBG Wastewater System Improvements – Amendment 02

The CDBG grant has been amended to extend the expiration date. The original award was made on April 15, 2019 and was good for 24 months. This amendment extends the expiration deadline to July 31, 2021. It also updates the project description and budget to be consistent with the Water/Wastewater Loan & Grant approved by Business Oregon.

Recommendation: Approve and authorize the Mayor to sign Amendment 02.

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 23, 2021

SUBJECT: Agenda Item #5: Continuation of Public Hearing for Ordinance No. 20-187-08, An Ordinance Amending the John Day Development Code to Strengthen and Clarify Enforcement Provisions within the Code (Type IV Procedure)
Attachment(s)
• RHP Letter to City Council

BACKGROUND

The City Council continued the February 23rd public hearing on Ordinance No. 20-187-08 to this evening.

DISCUSSION

Staff included a full copy of the public nuisance ordinance adopted in 2015 in the original staff report in order to reference the abatement procedures in that existing code. This led to confusion among the public that we were adopting the public nuisance ordinance provisions and the city council chose to allow written comments through Friday, March 15th. No written comments were received.

During review of the proposed enforcement language, Mr. Ken Katzaroff representing Riverside Home Park raised concerns related to the public nuisance abatement procedures and their efficacy and legality in enforcing development code violations.

Staff reviewed these comments and discussed with our contract planners and legal counsel. Given the confusion around the public nuisance ordinance and the likelihood it could be amended in the future, we are recommending the adoption of abatement procedures specific to the development code and to effectively de-couple the nuisance code and the development code, except in situations where a development code violation is also a violation of the nuisance code, or vice versa.

RECOMMENDATION

Council continued the public hearing for written comments only, but may open the hearing for verbal comments if you wish to do so.

Staff recommends remanding this back to the planning commission to allow them to review and address the changes we are proposing to the abatement procedures before taking this matter up for final adoption.

RECOMMENDED MOTION

“I move 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.”

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: March 23, 2021
SUBJECT: Agenda Item #6: Charolais Heights Street Improvement Award
Attachment(s)

- Bid Memo
- Bid Tab

BACKGROUND

The City solicited bids for the Charolais Heights Street Improvements. Bids were due to city hall by noon on Friday, March 19th, and were opened at 1 PM.

The following companies submitted proposals:

- Tidewater Contractors LLC (Brookings, OR)
- Harney Rock & Paving Company (Burns, OR)
- Hueckman Contracting (Canyon City, OR)
- Iron Triangle LLC (John Day, OR)

DISCUSSION

Bids were publicly opened at 1 PM at the John Day Fire Hall.

Tidewater Contractors LLC provided the low bid at \$73,319.00 for Schedule A and \$5,680.00 for Schedule B. Schedule B is to pulverize the existing asphalt to use as base rock for rebuilding the roads. This was bid separately because not every bidder has access to a pulverizer. We will price the cost of purchasing base rock vs. pulverizing in place – if it is cheaper to purchase it then we will just haul the old asphalt away. We are planning to award Schedule A, and we will add Schedule B if the cost is less to pulverize than to replace with new rock.

ORS 279C.305 Competitive Bidding and the City’s public contracting code requires contracting agencies to make every effort to construct public improvements at the least cost to the contracting agency.

There is a seven day appeal period following a notice of intent to award. If there are no appeals, we can issue the notice of award, get the contract signed, and proceed with insurance and bonding. Once these are in place, we will issue a notice to proceed and they may start construction.

RECOMMENDED MOTIONS

- (1) “I move 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.”
- (2) “I move to authorize the City Manager to issue a Notice of Award provided there are no appeals of the Tidewater Contractors LLC bid.”

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 23, 2021

SUBJECT: Agenda Item #7: Treatment Plant Update
Attachment(s)

- Hydrogeologic Investigation – Scope of Work

BACKGROUND

The City's engineering team is completing the final report on the preliminary engineering assessment. This topic updates the council on their progress and discusses the scope of work DEQ is requesting in order to permit the new facility (see Hydrogeological Investment – Scope of Work, attached).

DISCUSSION

The PER will outline four secondary treatment options in addition to the four collection system improvement options reviewed at our last council meeting. The treatment options include: membrane bioreactor (MBR); sequencing batch reactor (SBR); Aero-Mod activated sludge; and oxidation ditch. For purposes of developing equivalent water quality, the last three options include a tertiary filter to obtain Class A quality effluent (the MBR does not require tertiary treatment to reach Class A).

Membrane Bioreactor. Membrane bioreactors (MBR) are typically a one tank, continuous system, with anoxic and aerobic treatment stages that can be configured for nitrification. The secondary process uses a submerged membrane to provide filtration of the mixed liquor suspended solids (MLSS) solution. Water and particles smaller than the membrane filter are pulled through the membranes as permeate which can then be disinfected and discharged. The mixed liquor concentration in a MBR is typically much higher than a traditional activated sludge system and can be between 1 and 2% solids, allowing for a smaller treatment footprint compared to other secondary processes.

The benefits of membrane treatment systems is the ability to produce very high quality effluent without the operational complexity of a secondary clarifier or settling stage. Permeate has high transmissivity and is very compatible with ultraviolet disinfection, which also provides for a small process footprint.

The drawbacks of a membrane system are related to flow capacity during peak flow events. Membrane permeability controls the permeate rate and over time the membrane permeability can be diminished due to natural fouling of the membrane surface. In-basin clean in place, a process in which chlorinated permeate is back pulsed through the membranes, is used to clean and restore permeability. If operated within standard operating conditions, these clean in place events can be very infrequent. However, should permeability be lowered and a peak event take place, the overall permeate rate of the treatment plant can be diminished.

Membranes require planned replacement. The typical membrane life is 10-15 years, depending on the influent conditions. If influent characteristics have high TSS levels, replacement may need to be every 8-10 years. Based on John Day's influent characteristics, a replacement interval of 10-15 years would be expected.

Sequencing Batch Reactor. A sequencing batch reactor (SBR) is a completely mixed batch reactor system which typically uses a five step treatment process. The first stage fills the reactor with primary influent. If substrate is needed, it is typically added in this step. Additionally, this stage can serve as an anaerobic reactor step to denitrify the wastewater, if required. After the reactor is filled, it enters the aerobic reactor stage. At this point, the influent valve is closed and the aerators in the reactor are turned on. This step oxidizes the BOD in the system. After the reactor phase, the reactor mixers and aerators are turned off and the reactor is allowed to settle. Once the settling phase is over, the supernatant is removed and moves to the next step of the treatment process. After the supernatant is removed, the final stage is reached. During this stage, enough of the settled solids are removed to maintain the target MLSS for the reactor. These solids move on to the solids handling process. After this process is complete, the reactor returns to the first stage and starts filling again.

Due to the batch nature of the SBR, at least two tanks are required to ensure that the facility can handle the influent flow. An equalization tank can help handle high flows during storm events when the influent may overwhelm the capacity of the reactors. The lengths of each stage are determined by the influent characteristics and the target removal, but cycles are typically around 8 hours long.

Aero-Mod. Aero-Mod is another continuous system with several stages. These stages are held in separate tanks. This process uses a patented Sequox (SEQUential OXidation) technology, which is a multi-stage continuous process that is laid out in a way that combines activated sludge with aerobic digestion into one footprint. Influent first enters a selector tank where the sewage is combined with return activated sludge (RAS). It then flows into one of two first stage aeration basins. This tank aims to remove BOD and ammonia. Waste activated sludge (WAS) from this step is removed to maintain the set MLSS concentration and it is sent to one of two aerobic digesters. It then flows into one of the two second stage aeration tanks. The aeration in these tanks cycle on and off between the two tanks, allowing the tanks to denitrify as well. Using two tanks allows continuous blower operation. This stage also removes additional BOD and further nitrifies the wastewater during the aerated periods. Supernatant from the aerobic digesters also enters this second stage aeration tank. The second stage aeration tank flows into the ClarAator clarifier which allows the solids to settle and effluent to be removed from the treatment process. The ClarAator acts somewhat like a plate settler. RAS from the clarifier tanks is directed towards the first selector tank to recycle the accumulated biomass in the system. RAS is pulled continuously from the clarifier, however the zone from which the RAS is pulled from changes every 2 minutes (typical).

Oxidation Ditch. An oxidation ditch is a continuous system that can be laid out in a number of ways. The most basic oxidation ditch is an oval shaped tank where water flows in a circular pattern. The flow is driven by aerators that push the water as well as provide dissolved oxygen for the activated sludge. These systems typically have a high sludge age and a long hydraulic retention time, which makes them a stable process. As the sludge travels around the ditch, the dissolved oxygen concentration naturally decreases as biomass uptakes oxygen to remove ammonia and BOD. Flow through the oxidation ditch should be high enough to prevent solids from settling out of solution. Advanced oxidation ditch setups can provide full nitrification and denitrification capability, should permit requirements make this necessary.

The preliminary oxidation ditch proposal from the vendor utilized an oxidation ditch that has similarities to an SBR in that utilizes aerated and non-aerated phases to settle within the tank, rather than require a clarifier like most oxidation tanks. Unlike an SBR, this system is continuous and does not function in a batch format. The traditional aerators that push the water around the oval shaped ditch are now replaced with more traditional aerators.

Table 20 from the PER summarizes the pros and cons of each system.

	MBR	SBR + Tertiary Filter	Aero-Mod + Tertiary Filter	Oxidation Ditch + Tertiary Filter
Flexibility	Plus Provides high quality effluent, able to produce best water quality within a single footprint	Plus Can meet WPCF permit, tertiary filter provides recycled water level treatment	Plus Can meet WPCF permit, tertiary filter provides recycled water level treatment	Plus Can meet WPCF permit, tertiary filter provides recycled water level treatment
Footprint	Plus Smallest footprint	Plus Small footprint, larger than MBR	Neutral Large footprint, can fit on site but would utilize significantly more land to accommodate future expansion	Neutral Large footprint, can fit on site but would utilize significantly more land to accommodate future expansion
Equipment Complexity	Minus Best current technology, but most mechanical and process control equipment	Neutral Moderate amount of equipment, several operational decisions to make for SBR cycle	Neutral Fewer pieces of equipment, similar O&M	Neutral Few pieces of equipment, several operational decisions to make for aeration cycle
Operational Complexity	Plus Flux and Permeate monitoring required; higher automation/sophisticated programming	Neutral More active process operations required; peak flow process adjustments required	Neutral Less monitoring/control points required. Still requires operational control	Neutral More active process operations required; peak flow process adjustments required
Peak Flow	Neutral Peak flow can pass through system, however wear on membranes can be seen during regular extended peaks	Neutral Peak flows can pass through system, however SBR cycle would need to be shortened	Plus System has in plant flow equalization and an overflow weir	Neutral Peak flows can pass through system, however settling time needs to be extended to prevent washout
Cost	\$\$\$	\$	\$\$	\$\$

Table 20. Summary of Evaluation Criteria

The estimated cost for each secondary treatment option is shown below. It includes components that are common to all four systems, including: influent pump station and headworks screenings; disinfection systems; solids side improvements; operational buildings; site access; and discharge.

- MBR = \$10,000,000
- SBR = \$8,100,000
- Aero-Mod = \$9,100,000
- Oxidation Ditch = \$9,000,000

We have budgeted \$11,400,000 for the total project cost. Each option comes in below our estimated budget. However, the engineers are also recommending several improvements to the wastewater collection system that were not included in the original budget.

The PER also includes a lifecycle cost analysis, which is important in making the final determination. Life cycle costs include the cost to operate the system, in addition to the capital cost to purchase the system. The lifecycle costs (net present value) are shown in Figure 3 from the PER, below.

Alternative	Description	Initial Capital Cost	Total 20 yr Capital Costs	Cumulative 20-yr NPV
Treatment Alt 1	Membrane Bioreactor	\$10,000,000	\$10,520,000	(12,240,000)
Treatment Alt 2	Sequencing Batch Reactor	\$8,100,000	\$8,186,000	(9,050,000)
Treatment Alt 3	Aero-Mod	\$9,100,000	\$9,186,000	(9,630,000)
Treatment Alt 4	Oxidation Ditch	\$9,000,000	\$9,086,000	(9,830,000)

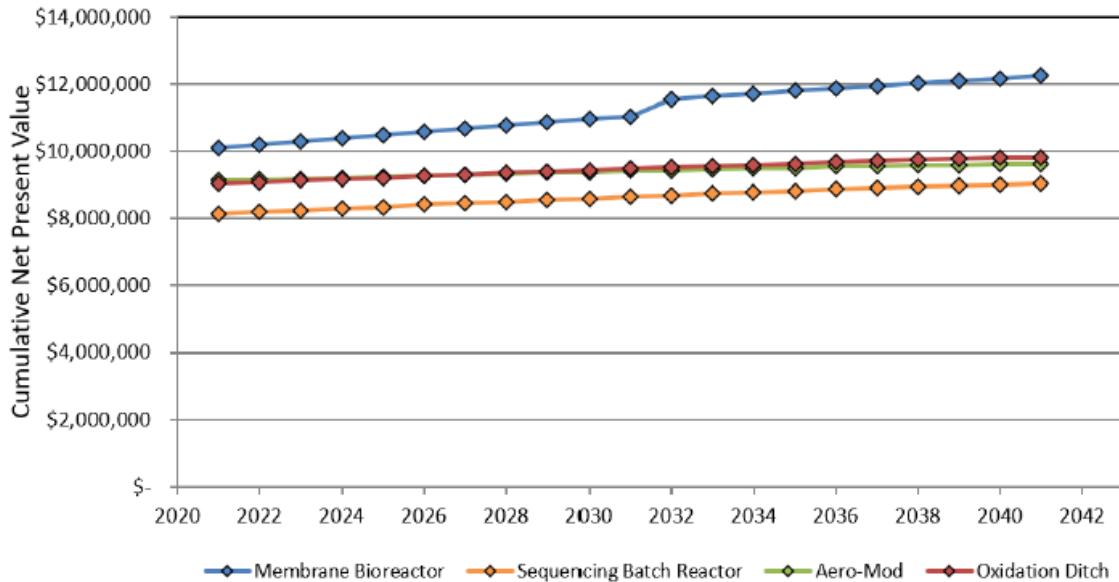


Figure 3. Cumulative Net Present Value

Note – these are all Class A options, which for the SBR, Aero-Mod and Oxidation Ditch includes tertiary treatment. The lifecycle also includes an increase for the MBR option at year 10 to replace the membranes.

In the event DEQ will permit a Class B disposal method, the SBR, Aero-Mod and Oxidation Ditch cost estimates would decline by \$750,000, resulting in a baseline cost estimate for procurement of:

- MBR = \$10,000,000
- SBR = \$7,350,000
- Aero-Mod = \$8,350,000
- Oxidation Ditch = \$8,250,000

The Class B wastewater can be used for all of the re-use options we have identified to date, and could be upgraded at a later time to add tertiary treatment if and when it is needed, versus the cost of an MBR system that would treat to Class A initially but requires a membrane replacement at year 10.

Staff are recommending the SBR option as the most affordable solution to meet our needs, with the lowest capital acquisition cost and the lowest lifecycle cost. This would leave some funding for collection system improvements but how much would depend on the final bid price and DEQ’s permitting decision.

Permitting Site Investigation. DEQ is requesting additional site analysis estimated to cost \$180,000. This is not in our current budget, however, the Water/Wastewater Loan and Grant can be amended to remove this amount from design and place it in a Permitting or Site Analysis line item. CwM H2O, LLC (CwM) is our contract hydrogeologist that has been working with DEQ to scope their additional request for information. They are proposing three phases of consulting and investigation to assist DEQ in issuing a new WPCF permit for this facility.

The proposed phases of work are as follows:

- Phase One – Project Planning, Hydrogeologic Conceptual Model and Field Plan;
- Phase Two – Site Investigation and Preliminary Groundwater Model;
- Phase Three – Infiltration Design and Pollutant Loading Evaluation.

The regulatory background for why this additional analysis has been requested, along with the detailed scope of work, is enclosed for council review.

This will be the third groundwater site analysis we have completed for this location. The prior two were performed by George Chadwick. The additional analysis has been requested in light of the Maui decision of the Supreme Court on April 23, 2020, which ruled that if there is a “functional equivalent” of a pipeline discharging as a point source of pollution then the County of Maui was required to abandon their WPCF permit and seek a federal NPDES permit.

We are currently under an expired WPCF permit, discharging Class B wastewater into percolation ponds adjacent to waters of the state (the John Day River). We need to demonstrate to DEQ’s satisfaction that the future disposal method (infiltration basins) for the new treatment plant will not create the “functional equivalent” of a direct discharge. Otherwise, DEQ will have to issue an NPDES permit, which they cannot accomplish given the lack of preparatory work (specifically TMDLs) for our reach of the John Day River.

RECOMMENDATIONS

We are recommending the SBR option for secondary treatment.

We also recommend awarding a contract with a not-to-exceed amount of \$150,000 to CwM to perform the site investigation they outlined in order to proceed with our permitting and remain under the intermediate procurement threshold – provided DEQ approves the scope of work and agrees (in some manner) that this will be the last site investigation they will require. We will need to take a portion of this work performed by others and issue it as a separate contract – otherwise we will have to issue a formal RFP for this work.

We are also proposing to submit our USDA financing application for site construction with the tertiary treatment included in the budget, and to proceed with procurement up to the point of award while the site investigation is ongoing. This would allow us to issue an award as soon as a determination is made on the permit pathway, and in the event they determine we can treat to Class B, we can remove the tertiary treatment from the procurement.

Finally, we proposed to address the collection system improvements and reclaimed water distribution (purple pipe) from the new plant as a separate but parallel project that would require its own financing. We can secure additional funds to make the collection system improvements and extend purple pipe to Malheur Lumber as part of a companion project to the treatment plant design and construction. This companion project will require its own environmental analysis, cultural surveys and permitting, all of which are complete for the treatment plant. This way we will not further delay the plant’s construction.

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: March 23, 2021

SUBJECT: Agenda Item #8: 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.
Attachment(s)

- Resolution No. 21-857-05

BACKGROUND

Resolution No. 21-857-05 approves the Water/Wastewater Loan and Grant from Business Oregon.

DISCUSSION

This loan and grant were applied for previously but the paperwork has taken additional time to catch up. The resolution includes the contract as an exhibit, along with the revised budget for the treatment plant procurement of \$5.2 million (figure below).

Budget Line Items	OBDD Water/ Wastewater Fund Y21006 (Contract)	OBDD CDBG Grant P18001	OBDD CDBG Grant #2 (pending approval)	Other Funds – Local Match	Estimated Totals
Design / Engineering	\$60,000	\$235,500	\$0	\$138,500	<u>\$ 433,500</u>
Environmental Review	\$0	\$0	\$0	\$30,000	<u>\$30,000</u>
Grant Administration	\$0	\$0	\$0	\$25,000	<u>\$ 25,000</u>
Project Management	\$15,000	\$0	\$0	\$0	<u>\$ 15,000</u>
Legal Fees	\$30,000	\$0	\$0	\$6,500	<u>\$ 6,500</u>
Package Treatment* Plant Procurement	\$2,395,000*	\$0	\$2,264,500	\$0	\$4,659,500
Total	\$ 2,500,000	\$ 235,500	\$2,264,500	\$ 200,000	**\$ 5,200,000

This budget is for the secondary treatment plant only (the “engine” of the facility) – it does not include the influent pump station and headworks screenings, disinfection systems, solids side improvements, operational buildings, site access, discharge or site construction – all of which will be funded by USDA.

RECOMMENDED MOTION

“I move 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.”

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 23, 2021

SUBJECT: Agenda Item #9: Law Enforcement Transition Options
Attachment(s)

- Police Overview and Cost Summary

BACKGROUND

This is an introduction to the law enforcement transition options we're evaluating for next fiscal year.

DISCUSSION

Chief Durr is retiring later this year, which would leave the City with a Sergeant and two entry level officers, one who just graduated from the academy and one who graduated two years ago.

We are exploring two options with regard to the Police Department. Option 1 is to enter into a law enforcement services agreement with the County Sheriff to provide services for John Day. Option 2 is to recruit a new Police Chief. Option 2 is going to be very expensive and will require an extensive recruitment process, in addition to more funding than what we currently have in our budget.

Hiring Option

If the decision is to move forward and sustaining the police department. The City would need to take the following into consideration:

- 1) We need to begin the process to hire a police chief.
- 2) We need to be very deliberate in how we write the minimum qualifications – otherwise applicants who aren't qualified will apply and may try to convince us to hire them using false representations about how they are credentialed; we would need CIS to vet the candidates and expect most will not meet the qualifications.
- 3) Prior to SB1049, folks looking at retirement but not ready to leave could extend their career and collect their PERS; SB 1049 disrupted that because now they can stay where they are at and can double dip, so there aren't as many candidates out there as there used to be.
- 4) There are, however, people looking to transition out of metro areas to rural areas, so the quality of life benefits are there for people looking to transition to a rural area.
- 5) We can look at interim opportunities through the Oregon Association Chiefs of Police (OACP) linebacker program to see if anyone is interested in taking an interim chief position – these are primarily retired personnel who would backfill the job for a period of time; they are vetted and their resumes are held by OACP so they can connect us to a qualified candidate if we can make a match – the negotiations are separate from OACP, who just helps identify candidates.
- 6) DPSST made it more viable for municipalities to employ police officers on an interim basis; creating legislation to allow for an 18-month exemption for requirements of credentialing, but the candidates still have to be qualified. Many will shy away from working Chief operations like ours because they don't necessarily have the skill sets or edge to work the streets because they've been out of the game for a long time.
- 7) Or out of the block / we can go out and try to recruit through a solicitation (open until filled) to avoid drop dead dates, etc. We will need to craft the MQs (minimum qualifications) to weed out candidates that really don't have the skill sets.

Law Enforcement Services Agreement Option

Some of the topics of discussion I've had with CIS and Sheriff McKinley we need to consider:

- 1) All existing staff have to be employed for a minimum of one year at current compensation and benefits; we would transition three employees (Sergeant and two officers) to the County as employees should they choose to continue with the county.
- 2) We need to be realistic about the amount of coverage and how to define and measure it.
- 3) From a citizen perspective, our residents may want to see something that really resembles what we've had historically...we need to make the transition as seamless as possible.
- 4) We can do the traditional "municipal" approach, but the employees are county employees and work for the Sheriff. That could mean wearing JDPD uniforms and/or driving JDPD vehicles and working out of our office, but doesn't necessarily have to be that.
- 5) Our ability to opt out needs to be clearly articulated and a reasonable period of time for both sides to appropriately adjust – 90 to 180 day timeframe unless something egregious occurs because both agencies would need to adjust.
- 6) Once we let go of the Police Department it will be very difficult to stand it up if things don't work out.
- 7) We don't want to set the Sheriff up to fail...or the City. We need to provide some assurances that their investment and ours is protected.
- 8) We have two vehicles (one new, one fairly new) that have life left in them. The rest would need to be replaced within the next five years.

Economic growth is not just about brick and mortar; it also includes services like public safety. It is a crucial element. We need to recognize that safety comes first, regardless of how the service is delivered.

Cost of Service

We also need to be realistic about the cost of service, which has continued to outpace revenues and is likely to increase due to the cost to recruit a new police chief, the end of our collective bargaining agreement that has to be renegotiated next year, and pending legislation such as SB 612 that requires police officers, corrections officers, parole and probation officers, regulatory specialists and reserve officers to complete post-secondary education and House Bill 2936 that would require a person's character to be investigated before being accepted as a police officer.

In FY20, the cost to cover police services for John Day was \$456,674.22. The department received \$45,000 in revenue from the Student Resource Officer (SRO) contract with Grant Union Jr./Sr. High School, leaving a deficit of \$411,674.22 that had to be covered through interfund transfers and general fund revenue. We expect the budget deficit for FY21 to be closer to \$500,000.

John Day's property tax receipts in FY20 were \$302,737.06. Maintaining the police department requires 1.5 times our property tax receipts. The additional revenue comes from state shared revenue for liquor fees and cigarette taxes along with franchise fees and transfers from the public works department.

State shared revenue has been consistently declining for cigarette taxes and the combination of the two funds in FY20 only amounted to \$32,647.78. This is not a significant source of income on which to base the operations of a half million dollar a year police department. Were we to lose the contract with Grant Union for the SRO position we would have to furlough an officer as there would be insufficient funding to continue operating the police department.

RECOMMENDATION

Council needs to discuss which option they would prefer and how they wish to engage the public in this discussion.

My recommendation is that if we are going to recruit a new chief, we need to also request a five year local option levy for between 10 cents and 15 cents per \$1,000 assessed value (a 1 to 1.5 percent increase in property taxes) to fund the department. We have evaluated the option to police John Day with three officers on several occasions and it is not enough coverage. We also have aging equipment like radar guns and radios that need replacement. We cannot recruit a new chief with an unstable fiscal forecast for the department and we do not have another revenue source to draw on to meet these rising expenditures.

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 23, 2021

SUBJECT: Agenda Item #10: 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.

We have identified a group of partner organizations that would be willing to partner on this application:

- Nick Ducote, Ducote Consulting – CDBG grant administration
- Lynn Myer, Lending Works – Non-profit consulting
- Aaron Lieuallen, Grant County Economic Council – Program management

I spoke with Mayor Hamsher and he believes Prairie City would be interested in participating but would need to discuss it. Were we to partner with Prairie we could request \$200,000 in assistance versus \$100,000, which would allow us to serve more businesses.

RECOMMENDATION

Determine if you would like staff to proceed with the application and implement this program if it's awarded.

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 23, 2021

SUBJECT: Agenda Item #11: Travel Oregon Competitive Recovery Grant Program Attachment(s)

- Budgetary Cost Estimate
- Signage Baseline Study
- Signage Plan

BACKGROUND

Travel Oregon has released a quick turnaround grant for competitive economic recovery. <https://industry.traveloregon.com/opportunities/grants/competitive-recovery-grants-program/>

We are eligible to apply for up to \$100,000 in funding through this program.

There are several categories, but we believe we are best positioned to apply for Outdoor Recreation -- Recreation site improvements for our integrated park system. This would include trash cans, doggie stations, park benches, picnic tables, map kiosks, wayfinding signs and cultural displays/digital displays for events.

DISCUSSION

Staff put together a rough budgetary cost estimate for the amount of recreational site improvements we could purchase within the \$100,000 program cap. We will discuss these amenities during the meeting.

Daisy Goebel, city planning associate, will also present a baseline signage study to the council showing our current signs.

An initial sign plan is also attached showing potential locations for these amenities. The sign plan will need to be expanded prior to application.

RECOMMENDATION

The grant is due August 31st. We recommend applying. There is not match required and we could use these funds at the Hill Family Park, Davis Creek, along the John Day River Trails and at the new downtown parking to help create outdoor amenities for public use.

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: March 23, 2021
SUBJECT: Agenda Item #12: Other Business and Upcoming Meetings
Attachment(s)

- EDA Grant Response

OTHER BUSINESS

- **EDA Grant Response.** The EDA grant response has been uploaded, submitted and accepted by EDA. They are currently reviewing. The response is attached. Enclosures referenced in the response are available at this link:
<https://www.dropbox.com/sh/u7z9bkqjq2wf4x8/AADvyxFk79n5XjdQaPXOney9a?dl=0>
- **LOC Bulletin links:**
 - **March 12** <https://mailchi.mp/3bbc4d01a075/loc-bulletin-march-12-edition-1037528?e=21664fc2e8>

UPCOMING MEETINGS

- March 31, City Council Budget Study Session – Fire Hall/Virtual, 7 PM
 - Chamber Marketing Presentation
 - TLT Ordinance
 - Greenhouse Co-operative Options
 - County Economic Development Office Support
 - Law Enforcement Services Options
 - Nonprofit Support – Whiskey Gulch Gang & Others...
 - Finalize Budget Planning
- 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 23, 2021

SUBJECT: Agenda Item #13: Executive Session Per ORS 192.610(2)(i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.
Attachment(s)
• None

EXECUTIVE SESSION NOTICE

The John Day City Council will meet in executive session at the conclusion of the regular council meeting on March 23, 2021 at the John Day Fire Hall, 316 S. Canyon Blvd, John Day, Oregon 97845. This executive session will be held pursuant to ORS 192.660(2)(i), which permits the council to meet in executive session to review and evaluate the employment-related performance of the chief executive officer.

The purpose of this executive session is to conduct the City Manager's annual performance evaluation.

Representatives of the news media and designated staff will be permitted to attend the executive session. All other persons will not be permitted to attend the executive session. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as announced. No decision will be made during the executive session.