

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

March 31 ,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  
Michael Durr, Police Chief  
Anna Bass, City Recorder  
Aaron Lieuallen, Senior Project Manager

Laurabeth Wallenstein, Agribusiness Project  
Manager  
Monte Legg, Public Works Director (virtual)  
Don Gabbard, Fire Chief (virtual)

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

Stephanie LeQuieu (in person)  
Sherrie Rininger (in person)  
Rudy Diaz (in person)  
Colby Farrell, Whiskey Gulch Gang (in person)  
Hugh Farrell, Whiskey Gulch Gang (in person)  
Sheriff Todd McKinley (in person)  
Gordon Larson (in person)  
Harsh Patel, Dreamers Lodge  
Mike, Tiny Home Rentals John Day  
Maulin Patel

Didgette Mcracken  
Lisa Weigum  
Mindy Winegar  
Lallatins  
LW  
S  
+15417909060  
+15416201125  
+15417909060  
+15039574089

**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**

There were no minutes to approve.

**Agenda Item No. 3—Appearance of Interested Citizens**

Mayor Lundbom invited the guests to share items not on the agenda. None appeared.

**Agenda Item No. 4—Chamber Marketing Presentation (7:00 PM)**

Mayor Lundbom invited audience member, Sherrie Rininger to present on behalf of the Grant County Chamber of Commerce. Sherrie introduced herself and introduced Didgette McCracken (attending virtually) to present the PowerPoint. Mrs. McCracken shared that the materials are available for use by all cities. She noted that they were able to highlight a local artist, Mike Stinnett in the materials. There were different ads available that could be used throughout the county. She also shared that the Chamber would provide a banner to each city to show off the new design and to also show some cohesion throughout the county.

Councilor Adair shared that after reviewing the packet she was very impressed and felt that it was unique to Grant County. Councilor Sky inquired if the banners would be customized to each city or what that would look like. Mrs. Rininger answered that the banners could be customized and the Chamber will be offering up to four banners to each city, free of charge. She shared the other merchandise available including mugs, hats and key chains. Mrs. McCracken noted that they hope they've created a framework for people to use the designs and campaigns to allow for some consistency. Councilor Sky inquired about the useful life of the banners. Mrs. Rininger stated they should be fine to be outside for an extended period. The council agreed it was all very well done and thanked Mrs. Rininger and Mrs. McCracken for their time.

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

#### **Action Item No. 5—TLT Ordinance (7:11 PM)**

Mayor Lundbom invited City Manager Green to speak. City Manager Green shared that he will need a decision from the council if they would like to budget for a transient lodging tax. If they should adopt the transient tax, the process will entail public hearings and meetings with various stakeholders. They would need to determine a rate prior to adoption which would only apply within city limits.

Councilor Adair stated that she believes the city needs to pursue this as it's been discussed for quite some time. Councilor Rookstool inquired about how it would work, if patrons of the lodging would be double taxed. City Manager Green stated that it would entail a city tax and a county tax which is not unusual. He explained they wouldn't budget much for the coming fiscal year. Councilor Adair shared that the TLT would allow for an outside source of revenue. The council has been wanting to increase tourism and having this tax would allow for making the community more user. Councilor Sky added that it is an avenue to support tourism.

City Manager Green said that he received an update on Kam Wah Chung Interpretive Center. It was delayed due to COVID and budget cuts, but it is a top tier project in our area. The State has \$780M to appropriate from the American Rescue Plan. He stated that he applied for \$6M, \$3M for projects down at the gateway, \$1.5M for the treatment plant, \$1M for Kam Wah Chung and \$2M for the pool. City Manager Green paused to address questions from the virtual attendees.

Question from virtual attendee, Maulin Patel, owner of local lodging. He said that he feels this would be an attack on their business. He felt that adding this tax would be hurtful to his business. He also noted that he believes the chamber is not transparent in their finances. He has a significant concern with how past taxes have been collected and allocated. Mayor Lundbom thanked Mr. Patel and invited comments from the Council. Councilor Holland answered that a \$1.50 tax on a \$100 room does not seem significant enough to make someone stay or not stay. The city has no control over the tax collected by the county. If there are concerns about the transparency of what the county and chamber are doing, that must be

taken up directly with them. The city would be auditing on an annual basis, as they always do and it would be transparent.

Councilor Adair added that the transient lodging tax can be and would be used to improve the community. She did not believe the tax would be a burden but would bring more visitors to the area and would end up benefitting Mr. Patel's business and other businesses in the city. Mayor Lundbom asked Mr. Patel why the businesses have not demanded a response from the county or chamber in regards to the current tax. *There was no response.*

Virtual attendee, Mindy Winegar shared that she believes a new tax would come directly out of her pocket. Her current rates cannot be raised to offset the cost. She stated that the chamber has assisted the Fairgrounds with putting on events.

Councilor Rookstool shared her personal experience to reiterate that the tax does go back into the community and she would want this to be very transparent. She would like the community to know that the council is not trying to gouge anyone and she understands every dollar adds up. City Manager Green stated this really depends on what sorts of events that city wants. He reflected on the money brought into the community from the eclipse. The city netted over \$50,000. The city donated all of those funds to Parks and Recreation which resulted in a quarter million-dollar investment into a new playground. City Manager Green stated he believes that nothing lower than a 3% tax would have minimal impact. Mrs. Winegar asked what sorts of events the city would like to have. City Manager Green answered that there has been discussion of a BBQ Brews and Blues Festival. Councilor Adair noted that the tax could benefit in more ways than just events. There's a whole realm of tourism-based projects that the funds could be used towards. City Manager Green reiterated this is dependent on what the council wants to do and what their vision is. Councilor Rookstool inquired about the minimum tax rate suggested. City Manager Green reiterated that 3% would be the minimum to make a difference. Councilor Adair stated her goal is not to put a burden on the business owners, but to provide more opportunity.

Mayor Lundbom asked for a consensus. Councilor Holland stated he believes it is necessary. He supported the 3% tax. He felt it was not substantial enough to keep people from staying in John Day. The idea of a transient lodging tax has been in discussion for a long time and he felt it was the right time. Councilor Sky agreed. Councilor Smith requested that Councilor Adair address a question from a virtual attendee, "why is lodging the only industry being taxed?" She explained it is transient lodging tax and that is all it applied to, similar to industry specific taxes she pays for her business. She added that she agrees with Councilor Holland. Councilor Rookstool stated she does not support an additional tax on local business. Councilor Haberly agreed that he does not support the tax.

#### **Action Item No. 6—Greenhouse Cooperative Options (7:38 PM)**

Mayor Lundbom invited City Manager Green to present. City Manager Green noted that this would be a six-month update after an update in October of 2020. He explained they are permitted for 5 bays, but currently have 3. They started with 18 products and have grown to 24 products. This is the first year of full-scale production.

They are utilizing the payment platform, Square to conduct transactions. This was launched in May following a change in their sales model due to COVID. City Manager Green reviewed the order process and shared graphs of the sales, customer acquisition, customer retention and touched on the earned media. He shared that through this earned media, John Day has become a destination to visit for many people. The greenhouse has hosted two interns from the high school. He also shared that they have

been in discussion with Eastern Oregon University and the Rural Engagement and Vitality Center to create academic partnerships. City Manager Green shared photos of the updates that have been done to avoid some of the unanticipated consequences they've encountered. Pest management has been a challenge as well as supply and demand. A little under half the cost is for personnel, 14% of the cost for the loan and 39% to operating expenses. One of the largest operating costs is to cover the cost of propane in the winter months. The goal of the first year was to break even on operating costs. They are lagging behind at this time, but they believe the gap will be closed as they come into Spring. The greenhouse is certified for the food security program to provide produce to low-income families.

City Manager Green invited the council to ask questions and encouraged the council to approve the co-op which would reduce the operating costs and also bring forward other revenue sources. Councilor Rookstool shared that they've done a great job and she would like to see some signage for the greenhouse with information about how to order. Councilor Adair applauded the staff and inquired about how moving to a co-op would impact current staff. City Manager Green stated that the co-op would still require someone to manage the operations. He stated that he would like the community to see this as their asset and not a city project. The co-op could be structured a few different ways that would allow for many types of opportunities. Councilor Smith felt that the natural evolution is for the greenhouse to become a co-op. Mayor Lundbom asked Agribusiness Project Manager, Laurabeth Wallenstein for her input. She stated that she fully supports the co-op. The co-op model would allow for additional opportunities and additional funding. She welcomed the change. Councilor Sky added signage would be important not only to make people feel welcome, but to also advertise.

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

**Action Item No. 7—Growing Rural Oregon / Community Development Director (8:04PM)**

City Manager Green shared that the Ford Family Foundation has a pilot program for community oriented rural entrepreneurship. Through the GRO program, Ford would provide technical assistance through a host organization, a trained coach that will work with us for up to 5 years, annual financial support for local coordination of \$25,000 for a city staff person and \$5,000 for a volunteer stipend, as well as cohort gatherings and additional tools. They are requesting applicants and have asked that the City of John Day apply. He stated they should apply with the intent to create a position, Community Development Director. The grant would not fully fund the position but he felt that it would be very beneficial.

Councilor Adair stated a community development director should be able to generate income which would keep the role funded. She felt that the projects are lacking a person to take charge and head these important projects. Mayor Lundbom agreed that additional help on these projects would be valuable. Councilor Adair noted all the projects and improvements that have been made which has created a need for additional help. Councilor Sky agreed and stated that businesses may be attracted to the community if they felt that there would be support from the city. The revitalization would make John Day very attractive. Councilor Smith shared that the description of the essential duties of the position aim towards efficiency. Mayor Lundbom asked Anna Bass, City Recorder what her thoughts were. Mrs. Bass stated she would like to see where the additional funds would come from Councilor Rookstool shared that she has concerns about the funding as well. Councilor Adair stated again that the right person should be able to generate the income to sustain the position. Councilor Holland inquired about creating a part time role to see what happens with the position and if it could grow into a full-time position. City Manager Green stated if they were awarded the GRO grant, they could approach

other opportunities to scale up the funding. He also stated that they are still working on the budget and they may end up on a part time role by default.

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

### **Action Item No. 8—Law Enforcement Transition Options (8:15PM)**

City Manager Green shared that he and Sheriff McKinley have met many times and he has had many discussions with Chief Durr as well. It's been an open and ongoing conversation for months. From his perspective as City Manager, he does not want to have an underfunded, poorly trained, ill equipped police force. He states that he wants to see it done right. It is unfair to the officers and to the city to do it any other way.

City Manager Green then invited Chief Michael Durr to speak. Chief Durr shared he came back 3 years ago and promised to stay for 3 years. He felt that the reputation of the city department was not where it needed to be and he created rules to remedy that. He shared that the department has received about 1,900 calls in the last year. Of those 1,900 calls, 212 cases were generated. The department has operated with three people, but four people is optimal to avoid burnout. There are not enough personnel to run a 24 hour shift currently. He provided examples of the difficulties with such a small number on staff. At one time, an officer was off patrol and dedicated to an investigation for three months. He also shared that addressing mental health has become a larger part of the job. The population is aging and dementia is becoming more prominent. Often times, it's the police officers identifying when a person is unable to continue to live on their own. It goes beyond just the paperwork or arresting people. He said the John Day department has a unique culture and that he hopes they will find a solution. Mayor Lundom asked Chief Durr if he has any ideas. Chief Durr simply said, you need more money. He added that he'd like to assist in the search for a new Chief if that is the direction they decide to go. Several councilors thanked Chief Durr for his work.

Mayor Lundbom asked if there could be some sort of partnership with another agency to allow for policing during the department's "off hours". Chief Durr answered that the county and State Police will not be working in those hours either. Councilors inquired what occurs if a call comes in during the off hours. Chief Durr said that he has dispatch contact him for calls that come in after hours. Sheriff McKinley provided information about how the county functions in the off hours. There is only response on emergent type calls in the off hours. He said the county cannot fund 24-hour service, although residents receive some semblance of 24-hour service as long as someone is willing to get out of bed during those off hours. Councilor Rookstool asked Sheriff McKinley how it would look if the city department no longer existed, asking if he would need to bring on more officers. He stated that he is currently in the budget process as well and that the level of service would look very different. The county would not be operating in a 24-hour shift. He stated the county would have to cover John Day if the department shut down, but he has concerns about what that would look like. Mayor Lundbom asked if the County has come up with a way to help the budget. Sheriff McKinley stated that the county is trying to cut his budget.

Councilor Smith shared that he had read a Letter to the Editor about funding capital improvement projects. He wanted to make it known that the funds used on those projects are not eligible for use for the police department. The dollars for the police department come from a specific fund. City Manager Green added to that, that today the city pays 1.5 times their property tax for law enforcement. The other cities in the county are not paying for county law enforcement. If they should decide to go the

transition agreement route, John Day should be asking why John Day is the only city paying for law enforcement services through the County. City Manager Green reiterated the department needs to be fully funded to allow for ample training and equipment. Councilor Smith inquired about the contractual dollar amount with Prairie City. Sheriff McKinley answered that he believes they pay about \$40,000 per year. City Manager Green stated that the assessed value of the businesses in John Day are very low and as a result, the city does not generate a large amount of tax revenue. Councilor Adair added that if the population continues to decrease, they will continue to lose services or pay more for the services they want. She noted she would like to fund the local police as a community member and business owner. The council needs to know if the community wants to fund the department. City Manager Green stated he would like to do a 5-year levy to ensure the newly recruited Chief has a department to manage.

Mayor Lundbom asked Sheriff McKinley if the decision is the Sheriffs or the County's. Sheriff McKinley stated it is up to the council and the ball is in their court. He stated that this would be the optimal time to transition while they are still working on their budget. Councilor Sky inquired about a new service agreement with cities throughout the county for a more equitable solution. Several councilors stated they do not believe the other cities would want to pay if they aren't already. By statute, the city would need to pay for the transferring officers for a year. City Manager Green asked, do we value the service enough to pay full price?

Sheriff McKinley shared that following a meeting with other sheriffs, the general consensus is that a city of under 20,000 population would not be able to maintain a police department. Current legislation in the pipeline and insurance costs will make it impossible for a smaller city to afford their own department. Councilor Haberly inquired about reserves to which Sheriff McKinley answered that the County could not allow those people to work shifts from a liability standpoint. Several councilors agreed that the community members need to have a say. Sheriff McKinley added that Sisters lost their department due to funding. They currently contract with Deschutes County and have been unable to bring back their local department. He did not believe that John Day could bring back the department if they were to shut the department down.

Council President Smith said he'd like John Day to keep the department and that he would like to see a partnership between the City and County. Councilor Sky stated that he would like to have a clear picture of what the options are to present to the community. Councilor Haberly reiterated the information Sheriff McKinley shared that a city with a population of less than 20,000 will not be able to afford a department. Councilor Rookstool said that if the community wants to have the police department, they will need to fund it. City Manager Green stated they need to be honest with the community, budget high this first year then come back and rebalance.

Mayor Lundbom invited Gordon Larson to comment. He shared that from his personal experience, once you lose a department, you do not just get it back. He felt that John Day Police Department has a rich, unique culture. He shared data from a Zillow article stating that 82% of people polled felt that the safety of the neighborhood was important. He stated both the County and the city do not have enough officers based upon the police allocation model, but they do a great job. Mayor Lundbom and the council thanked Mr. Larson for his comments.

Mayor Lundbom shared the invitation being shared on KJDY for the Town Hall. He suggested that City Manager Green create some data points to show the costs. Councilor Sky inquired about the structure of the meeting. He added that there should be some prioritization. Several councilors agreed it should be prioritized, with a structured presentation with a general overview asking for input and questions

from community members. City Manager Green shared that he could put together data showing their best estimate. Council President Smith stated it needs to be made clear that certain dollars are only allocated for certain uses. The council agreed the priorities in order are police, treatment plant update and then housing Mayor Lundbom said he'd like to address all of the concerns of the residents and be transparent.

Mayor Lundbom confirmed the date and time.

#### **Action Item No. 9—External Support Requests (9:10 PM)**

Mayor Lundbom invited Colby Farrell to speak. Mr. Farrell shared that due to COVID, the Whiskey Gulch Gang was negatively impacted and as a result they are requesting \$7,500 to assist with prize money for the demolition derby. The 62 Days Celebration attracts local residents, but also people from outside of the community. The demolition derby is a major attraction and the restaurants and local lodging benefit. He explained that due to COVID they were not able to hold the demolition derby last year. Council President Smith asked about the chamber assisting. Mr. Farrell answered that Mrs. LeQuieu with OregonRain has been assisting them and he will be connecting with the chamber as well. Mrs. Rininger shared that the chamber does have grants. He stated he would follow up with the chamber. He shared that he felt it would be important for the community to put money into existing events that have been in our community for many years. Councilor Sky inquired if there might be a comprehensive project to fund their needs.

The council agreed that they would need to revisit the request pending funding.

City Manager Green asked the council if they would like to pay towards the community economic development office. Councilor Adair stated she does not believe they should fund a department that is wholly under the control of the county. She believes that the director puts together projects that do not get any traction or support. City Manager Green stated he believes their director does good work and he'd like to support her. Councilor Rookstool agreed and shared that the city should not pay into something they have no control over. Council President Smith shared he would like to see more collaboration amongst the county, city and chamber. Councilor Sky stated he felt that collaboration may result in everything being viewed as a John Day project. Councilor Rookstool inquired how long the city has not paid into the economic development office. City Manager Green said that since he came on they have not paid into it. He would like to support the office, but the city does not need the assistance with writing grants. Councilor Smith asked Mrs. LeQuieu if she works with the Economic Development Office. Councilor Sky inquired what Mrs. LeQuieu thinks they should do. She replied that the council needs to ask themselves, it's one thing to support an office, but when you're dealing with the government that office falls under and you do not have a collaborative relationship with that entity, it may not result in the desired outcome. Councilor Sky stated that people need to go to the county court and ask for more cooperation and collaboration.

Mayor Lundbom asked for a consensus. Councilors Haberly, Holland, Rookstool, Adair and Smith answered no. Councilor Sky answered yes.

Councilor Rookstool stated the council is not saying no to economic development or collaboration, but right now the council needs to see what they would be paying for and why they would be paying for it.

City Manager Green shared that FEMA approved the scope of work for Fourth St. Window of July 15th-August 31<sup>st</sup>. Cost estimate they approved was \$1.5M. He requested \$350,000 to cover construction.

Mayor Lundbom asked for a consensus to request \$350,000. *All in agreement.*

Iron Triangle is going to the Planning Commission to open up the first 17 lots. City Manager Green asked that the URA put the money in for the utilities. The funds are investment money that can only be spent on utilities, nothing else. Several councilors inquired about the roads. City Manager Green shared they'd be in about \$100,000 on the SDCs, \$200,000 total. The URA would be charged interest, an it would be an investment.

City Manager Green asked for a consensus. *All in agreement.*

**Action Item No. 10—Other Business & Upcoming Meetings (9:40 PM)**

**Mayor Lundbom moved to close the meeting at 9:41PM. The motion was seconded by Councilor Holland and passed unanimously.**

Respectfully Submitted:

Nicholas Green, City Manager

ACCEPTED BY THE CITY COUNCIL ON April 13, 2021.



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Ron Lundbom, Mayor