

**John Day City Council Meeting
Tuesday, August 24, 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 AGENDA ITEMS**

Attachments:

- None

ACTION ITEMS

5. **RESOLUTION NO. 21-867-15, A RESOLUTION AUTHORIZING THE CITY’S PARTICIPATION IN THE LEAGUE OF OREGON CITIES’ LEGAL ADVICE PROGRAM PROVIDING LIMITED FREE LEGAL ADVICE TO OREGON CITIES LOCATED IN EASTERN OREGON**

Attachments:

- None

6. **CHOICES RECOVERY**

Attachments:

- None

7. **BUDGET WORK SESSION**

Attachments:

- Street Sweeper Quotes

8. **PROJECT UPDATES**

Attachments:

- None

9. POLICE TRANSITION PLANNING

Attachments:

- None

10. OTHER BUSINESS & UPCOMING MEETINGS

Attachments:

- Report on The Western Planner 2021 President's Award
- September 1, Planning Commission Hearing – Fire Hall, 6:00 PM
- September 14, City Council Meeting – Fire Hall, 7:00 PM
- September 28, City Council Meeting – Fire Hall, 7:00 PM
- October 6, Planning Commission Hearing – Fire Hall, 6:00 PM
- October 12, City Council Meeting – Fire Hall, 6:00 PM

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: August 24, 2021
SUBJECT: Agenda Item #4: Consent Agenda Items
Attachment(s)

- None

BACKGROUND

There are no items on the consent agenda.

Item 1) N/A

N/A

Recommendation: N/A

Item 2) N/A

N/A

Recommendation: N/A

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: August 24, 2021

SUBJECT: Agenda Item #5: Resolution No. 21-867-15, A Resolution Authorizing the City's Participation in the League of Oregon Cities' Legal Advice Program Providing Limited Free Legal Advice to Oregon Cities Located in Eastern Oregon
Attachment(s)
• Resolution No. 21-867-15

BACKGROUND

The City participated in LOC's pilot legal program for eastern Oregon last year and used the service for the Transient Lodging Tax as well as preparation of the police ballot measure. This resolution authorizes us to participate in the LOC's permanent program, which was established on July 1st, and provides free legal advice to cities in eastern Oregon.

DISCUSSION

This is a valuable resource provided free of charge from the LOC. I recommend we participate.

RECOMMENDED MOTION

"I move to adopt Resolution No. 21-867-15, A Resolution Authorizing the City's Participation in the League of Oregon Cities' Legal Advice Program Providing Limited Free Legal Advice to Oregon Cities Located in Eastern Oregon."

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: August 24, 2021
SUBJECT: Agenda Item #6: Choices Recovery
Attachment(s)

- None

BACKGROUND

Choices Recovery is an addiction recovery center scheduled to open at 131 N. Canyon Boulevard. They have asked to attend the council meeting and present the council with information on their programs.

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: August 24, 2021

SUBJECT: Agenda Item #7: Budget Work Session
Attachment(s)

- Street Sweeper Quotes

BACKGROUND

We need to issue a supplemental budget to incorporate grant funding and other budget changes. The supplemental budget requires public notice and a public hearing. I recommend we hold a work session to discuss the proposed changes prior to issuing the notice of the public hearing.

DISCUSSION

The supplemental budget will add grant funding and expenditures for the following programs and projects:

- **\$1.5 million for the new wastewater treatment plant:** provides site improvements to receive the plant, including:
 - Streets connecting from Patterson Bridge Road to access the site;
 - New water, sewer and reclaimed water utility connections;
 - Extending and relocating power lines;
 - Land clearing/grading;
 - Bridge improvements to the Oregon Pine bridge to allow for utility connections and ingress/egress between the north and south sides of the John Day River
 - We are also exploring the option to site a 150 kW solar array east of the treatment plant to power the site and adjacent improvements, which would achieve a Net Zero energy rating for the facility and reduce costs to power other public infrastructure within and adjacent to the Innovation Gateway, including the future event center, community pavilion, aquatics center and city greenhouses.
- **\$1 million for the new Kam Wah Chung interpretive center:** provides site improvements to prepare for the new KWC interpretive center. Expenditure categories staff are discussing include:
 - Downtown visitor amenities: parking, restrooms, sidewalk and trail improvements to connect downtown to the new interpretive center and riverfront along NW Canton;
 - Main Street building improvements to storefronts: facades, lighting, and business signs;
 - City street signage and wayfinding;
 - Branding, promotion and even-related activities;
 - Equipment to facilitate visitor access (i.e. street sweeper)
- **\$2 million for the new Aquatics Center:** provides site improvements to prepare for the new Aquatics center, which include:
 - Professional services agreements for final design;

- Site improvements for landscaping, parking and access;
- Relocating the existing manufactured home and demolition of the shop and existing office;
- Erecting the new facility (office space, support spaces and the natatorium).

We will also need to make adjustments to our staff distribution. Daisy Goebel is no longer a Planning Associate and her hours need to be removed from the budget, we will need to adjust the personnel labor distribution for Michael Anderson as our new Community Development Director, additional staff are needed in Public Works to support our capital improvement projects, and we will need to make adjustments to our administrative overhead to redistribute hours to these new projects. Other budget adjustments may be needed depending on the outcome of the DHS COPS grant as well.

In addition to the staffing changes, we are in need of a street sweeper to help maintain our roads in good condition. Monte has developed some quotes for used equipment (attached). We can discuss these options and how they would be used, but the condition of the Main Street roads and our connector streets will need to be improved if we are going to encourage visitors to stay in John Day and make our community and downtown more walkable. The quotes range from \$90,000 to \$115,000 and we can review this during our meeting or during the budget work session.

RECOMMENDATION

Council should discuss when they would like to hold the budget work session prior to issuing the notice of the public hearing, and on which date they would like to hold the hearing. My recommendation is that we hold the hearing during the October 12th city council meeting, which would give us four weeks to prepare the supplemental budget and issue the appropriate notice.

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: August 24, 2021
SUBJECT: Agenda Item #8: Project Updates
Attachment(s)

- None

BACKGROUND

This is a brief update on the status of our projects

PROJECTS

Integrated Park System / Innovation Gateway

Hill Family Park (Street). The Notice of Award/Notice to Proceed was sent to Iron Triangle LLC on August 20th for the Hill Family Park improvements. The City is processing the lot line adjustment with Culleys based on the information reviewed during our prior council meeting. The new bridge is complete and ready to ship once the footings have been poured and we're ready to receive it. The permit for the new restrooms has also been approved and they are ready for construction. We are on schedule to complete all work within the next 60 days. Upon completion, Michael will begin working with community stakeholders and our design team to plan the future park improvements in this area.

Aquatics Center. The Parks & Recreation District held their neighborhood meeting on August 11th. They intend to submit an application for Site Design Review to the planning commission on or around September 1st. The planning commission hearing for this project is tentatively scheduled for Wednesday, October 6th, provided a complete application is submitted the week of September 1st.

Kam Wah Chung (TBD). OPRD presented the next steps for KWC at our town hall last week. The appraiser has completed his work for the Gleason Park purchase and sale agreement and is preparing the final report for their review.

Recreational trails (Street). The City has requested \$147,990.50 in grant funding from OPRD to complete the paving and construction of the riverfront trail system between the Oregon Pine Bridge and the 7th Street Sports Complex/Hill Family Park. This project will begin next spring if grant funds are awarded.

Planar Shed Restoration (Sewer / TBD). Our request for \$125,000 in congressional supplemental funding was not approved. No projects in Grant County were awarded funding. There is an EDA grant available for this project, however,

Sawmill / Events Center (Sewer/ TBD). This project could also be included in the scope of a future EDA grant.

Main Street Revitalization / Tourism Promotion / Recreation Economy for Rural Communities

The Pit Stop / ORR grant (Street). The restrooms are now permitted and we are working on a final design concept for the site that will be presented next month prior to going into construction. We are contracting with Walker Macy to complete the final design for this site.

Wayfinding system (Street). We are contracting with Straw-to-Gold LLC for these wayfinding improvements. A wayfinding plan will be presented to the city council prior to construction.

DiscoverJohnDay.com website & video content (Comm. Dev.) We are contracting with Straw-to-Gold LLC to develop this website and content creation is underway. The team came out during the Fair to film interviews and that event.

Entrance monuments. We are working with Walker Macy to design entrance monuments at the east and west entrances to John Day as part of the KWC site.

City Hall parking (Street). We will begin exploring parking design options for the City Hall parking lot in the coming weeks.

Community Development Programs

Ford GRO (Comm. Dev.). The GRO program is going to launch virtually due to the increase in COVID cases. We are still waiting on a notice from Ford to proceed but we have received the funding for the position.

Oregon RAIN. Oregon RAIN has hired a new community lead and we're coordinating with them to have that person work directly with Michael on their efforts.

Greenhouse (Comm. Dev.) We are moving forward with the co-op formation and plan to host a series of meetings in mid-October related to the transition from a city-owned facility to a co-op facility.

USDA Rural Placemaking Innovation Challenge (submitted). The University of Oregon submitted an application to the RPIC program on behalf of John Day, Burns and Lakeview. Their intent is to help us create cultural districts and enhance placemaking in line with our plans, while bringing lessons learned from John Day to the other two communities. This would be a multi-year effort funded by the USDA if awarded. We are still waiting on an award decision.

Housing / Urban Renewal Agency

The URA is sponsoring four developments and/or projects: *Ironwood Estates (URA with loan from SDCs)*; *The Ridge (URA)*; *Holmstrom Ranch extension of Charolais Heights (URA)*; and the *DLCD Technical Assistance grant for 3-D home printing (submitted, pending decision)*. These projects are ongoing.

Public Works

Treatment plant (Sewer). The CwMH20 team has completed their model and sent the data to DEQ to review. We will have a call with DEQ the first week in September to review their preliminary findings. Grading is proceeding around this site to prepare for construction.

Innovation Gateway business park (Water). We are scheduling Maul Foster and Alongi staff to come to John Day next month to complete the abatement of the former Iron Triangle property. They will

then create the final report and we will be able to receive industrial park certification for this site and begin construction of the final improvements upon notice to proceed by the EDA for our broadband award, which will be collocated with the power for this area.

Reclaimed water distribution system (Sewer). We have submitted a \$3 million grant request to OWRD for the purple pipe distribution system. It is going through the review and adjudication process and scoring from the review committee is expected next month.

Grant County Digital

Community Broadband (IT). The EDA is preparing the award packet for this project. We are providing additional information requested by their team from our engineers this week. The project is nearing award.

The CyberMill John Day + Seneca (IT). The Grant County Digital board moved to purchase the Seneca site as the planned point-of-presence for the fiber optic network. OTC is nearing a notice to proceed with the USDA to begin construction of the fiber optic lines under the USDA ReConnect grant. We anticipate having all site improvements for the Seneca CyberMill completed next month.

Street & Bridge Improvements

Charolais Heights Intersection (Street). Work at Charolais Heights is ongoing. The contractors anticipate paving by the end of this month-ish.

Government Entry Road (Water/Street). Government Entry needs a new name. We also need to put on the base rock. Our SCA application for \$100,000 to pave this project was rejected by ODOT because the Charolais Heights project is not complete.

W. 7th Street Approach to Treatment Plant (Sewer). We will begin the design of this road from Patterson up to the driveway of the new treatment plant to allow for construction vehicles to safely enter and exit from the highway. We are clearing and grubbing the land now and will work with Sisul Engineering on the design and RFP for the street improvements. The alignment for the new road has been staked.

Oregon Pine Bridge (Sewer). We are moving forward with the bridge restoration using the treatment plant funds from the state since this is a critical node in our collection system and reclaimed water distribution system. We will most likely remove the bridge when we install the new one at the Hill Family Park, improve the embankment and then reset the bridge and complete the paving.

SW 4th Avenue Repairs (Street). This project will complete permitting this fall and bid documents will be submitted early next year for work to begin in July 2022.

395S Sidewalk Improvements (Street). This project will complete permitting this fall and bid documents will be submitted by ODOT early next year for work to begin in the spring of 2022. ODOT published a news release with a video and map of the project at this link:
<https://content.govdelivery.com/accounts/ORDOT/bulletins/2ea10bb>

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: August 24, 2021

SUBJECT: Agenda Item #9: Police Transition Planning Attachment(s)

- None

BACKGROUND

The unofficial results of the local option levy were: Yes – 284; No – 169; Percent of returns – 38.9%. The returns did not meet the minimum requirement of 50%+1 vote so the measure will not pass.

Staff have been notified of the results of the election. We will begin the process of dissolving the police department effective immediately.

DISCUSSION

Last spring I prepared two different budgets for the budget committee: one that retained the police department and one that transitioned it. The budget committee unanimously elected budget to retain the department, knowing it would require a local option levy to pass in order for the budget to balance and provide the necessary funding to recruit a new police chief, replace our aging equipment, and provide adequate training and administrative support to sustain the department.

The council made it clear during the budget hearings, the public hearings held prior to referring the local option levy, and in the ballot language itself that due to inadequate funding the city cannot maintain the police department without the levy passing. Prior to the ballot going out, I personally mailed every property owner in the city a newsletter with information on the levy and why it is needed. Both Mayor Lundbom and I participated in Coffee Time discussions on KJDY about the police levy prior to its issuance. It was covered at length by the Blue Mountain Eagle. The council also held a town hall meeting prior to the levy on two separate occasions to discuss its importance. Signs and placards were placed throughout the city and every registered voter was mailed a voter information statement along with the ballot explaining its need and the implications of a ‘No’ vote.

It is inconceivable that our residents were unaware of this election or of its importance to the police department. Nevertheless, over 60 percent of our registered voters declined to exercise their right to vote, which is effectively the same as voting ‘No’ as it resulted in the levy not passing.

It would be fiscally irresponsible for the City to continue to fund this department given the growing budget deficits and lack of support from our residents. We have no way to arrest those deficits unless we significantly increase housing production in John Day, which will require General Fund revenue to achieve. We should also honor our residents’ majority decision to vote ‘No’ or not vote at all on this matter.

Given that our local sources of funding cannot keep pace with the rising cost of police services, and our residents did not approve additional local revenue, we must proceed with the dissolution of the department.

Oregon population change, 2010-2020

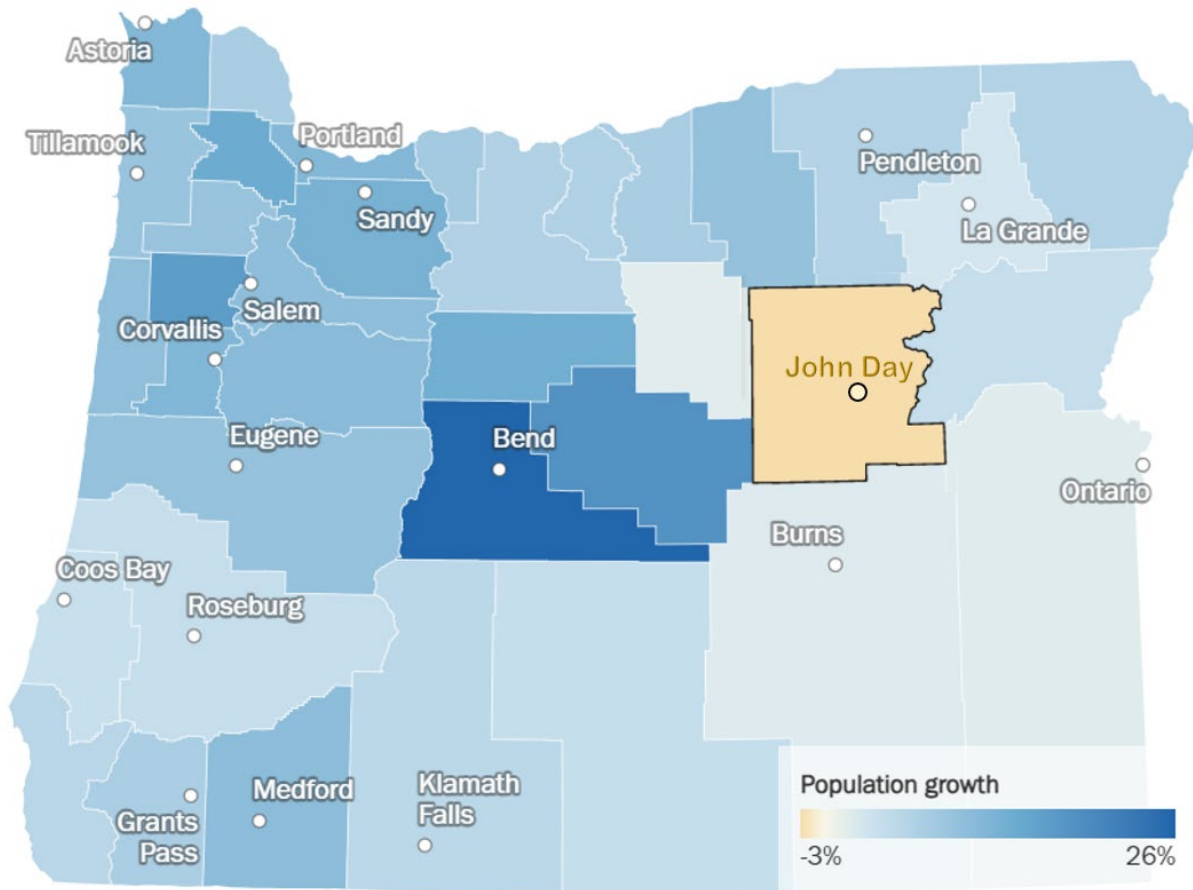


Figure 1. 2020 Census Data on Population Growth in Oregon, from the Oregonian. Map modified to highlight John Day.

Grant County now has the distinction of being the only county in Oregon losing population. According to the 2020 Census data, we shrank by almost three percent, while every other county in the state grew (see Figure 1). Our population loss is directly related to our budget deficits because all state shared revenue is distributed on a per capita basis. Property tax values are also impacted by population because areas in decline experience a higher degree of blight and businesses that close (like the mills and several of our Main Street businesses) see a reduction in market value for their properties, which corresponds to a reduction in assessed values because the maximum assessed value for a property in Oregon cannot exceed its real market value. As properties experience blight and go into decline, assessed values are reduced and tax revenue is lost.

This is the fundamental reason why the police department is not financially sustainable in our current condition. Until the decline stops and we begin to grow consistently we will not be able to afford these services on our current tax base.

TRANSITION OPTIONS

My recommended transition plan is based on dissolving the department effective December 31st, as follows:

1. Staff will be formally notified next week of the city council's decision to dissolve the department effective December 31, 2021 due to the failure of the local option levy and inability to balance the budget passed by the budget committee. This will include notices of layoffs that will take effect subject to the provisions of our collective bargaining agreement.
2. This four-month window is a reasonable amount of time to resolve our officer's current caseload and help them begin their transition planning as well as our own. Two contingencies may affect this process:
 - **County contract.** During this four-month window, we will be able to discuss with the Grant County Sheriff's office and Grant County Court whether a law enforcement services agreement is in the best interests of our residents. At present, no other city in the county is contracting with the Sheriff for additional law enforcement coverage.
 - **Additional federal funds.** If federal funding is received during this period, the City can rescind the termination letters and proceed with our Police Chief recruitment, provided the funding received is sufficient to sustain the department for at least four years. If it is not, we are not likely to find a person willing to take the position and we will not have enough time to build up local tax revenue to fund the department.
3. If no agreement is reached with the county and no federal funds are received, our city will become like the eight other cities in Grant County and we will receive coverage from the Sheriff's office as required by law beginning January 1st. Our residents will most likely see a reduction in service and will be dissatisfied with this outcome, but this is what they voted for by not voting at all.

County Transition Contingency. The county has an unfortunate history of not honoring their commitments or agreements with the City of John Day and failing to follow through on implementing their own ordinances. When we have brought these concerns to their attention in the past they have been largely ignored. Specific examples include their failure to follow their own Transient Lodging Tax ordinance requirements, not providing in-kind contributions for street improvement projects after committing to do so, and breach of contract of our intergovernmental agreement for managing planning services in the Urban Growth Area according to the standards in our code. I have no confidence based on their track record that any law enforcement agreement we make will be upheld or enforced by the current court, nor is it likely that we would receive the coverage we pay for, as the sworn law enforcement officers will respond to calls wherever they are needed regardless of whether a city is paying for additional coverage or not. There is simply no guarantee the Sheriff's office can staff the positions we would be funding and no way to enforce the contract.

Were we to pursue this approach, we need to recognize that the county cannot guarantee coverage, some of all of our officers may not elect to transition to the county, and there are no provisions (short of terminating the agreement) to enforce the coverage terms of the agreement. The only way to ensure an equitable agreement would be if all of the incorporated cities in the county agreed to pay a fair share of the cost to staff additional positions in the Sheriff's office based on a cost-sharing formula similar to the one used for the Grant County Emergency Communications Agency.

Federal Funding Contingency. The COPS grant will need to be fully funded in order to sustain the department for the four-year period required under the agreement. This is enough time to recruit a new police chief and provide them with some job security. During that four-year period, we will need to invest significant resources into new home production in order to raise our tax base enough to sustainably fund the department. This will take about a hundred new homes.

The Treasury Department has published an interim final rule for the American Rescue Plan Act (ARPA) funding. Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

Placing these one-time ARPA funds into the police department does not solve anything. It will not address the root cause of our budget issues in the General Fund, which are directly attributed to declining population. No amount of funding put into the police department will cause our city to grow. We can only grow by building street and utility improvements that allow the private sector to construct workforce and retirement housing that widens the tax base. These funds and any other funding we can realize need to be put into public works projects that will allow us to increase our population and permanently stop the decline and blight we've been experiencing.

RECOMMENDED MOTIONS

Council should move to dissolve the police department effective December 31st and authorize the City Manager to begin the police department transition, as outlined in the agenda and discussed by the council.

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: August 24, 2021
SUBJECT: Agenda Item #10: Other Business and Upcoming Meetings
Attachment(s)

- None

OTHER BUSINESS

- Report on 2021 Western Planner President's Award & Conference

UPCOMING MEETINGS

- September 1, Planning Commission Hearing – Fire Hall, 6:00 PM
- September 14, City Council Meeting – Fire Hall, 7:00 PM
- September 28, City Council Meeting – Fire Hall, 7:00 PM
- October 6, Planning Commission Hearing – Fire Hall, 6:00 PM
- October 12, City Council Meeting – Fire Hall, 6:00 PM