

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (this "Agreement") is made and entered into effective on June 14, 2022 (the "Effective Date") between City of John Day ("City"), an Oregon municipal corporation, whose address is 450 E Main Street, John Day, Oregon 97845, and Catalyst Public Policy Advisors, LLC ("Consultant"), an Oregon limited liability company, whose address is 205 Valley View Drive, John Day, Oregon 97845.

RECITAL:

City desires to retain Consultant to perform certain financial, planning, and related services, including, without limitation, strategic financial planning, capital asset management, master planning, code implementation, and contract administration. Subject to the terms and conditions contained in this Agreement, Consultant will perform the Services (as defined below) for and on behalf of City.

AGREEMENT:

NOW, THEREFORE, in consideration of the parties' mutual obligations contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Financial and Planning Services.

1.1 Services; Standards. Subject to the terms and conditions contained in this Agreement, Consultant will perform the following financial, planning, and related services for and on behalf of City (collectively, the "Services"): (a) those services and tasks identified in Consultant's "Financial and Planning Services Proposal" dated April 27, 2022 attached hereto as Exhibit A (the "Proposal"), including the Additional Services (as defined below) if and when directed by City in accordance with Section 1.2 of this Agreement; and (b) all other necessary or appropriate services customarily provided by Consultant in connection with its performance of those services identified in the Proposal. Consultant will perform the Services (not including the Additional Services) no less than twenty (20) hours per week. Consultant will (x) consult with and advise City on all matters concerning the Services reasonably requested by City, (y) communicate all matters and information concerning the Services to the city manager (or his or her designee) and report directly to the city manager (or his or her designee), and (z) devote such time and attention to performance of the Services as City deems necessary or appropriate.

1.2 Additional Services. Notwithstanding anything contained in this Agreement to the contrary, City may from time to time, in City's sole discretion, direct Consultant to perform the additional grant writing services described on Page 6 of the Proposal (the "Additional Services"). Consultant will not provide the Additional Services unless and until City provides Consultant written notice that the Additional Services are requested (which notice will identify the specific Additional Services requested and schedule for completing the Additional Services). Consultant will timely provide any Additional Services requested by City subject to and in accordance with this Agreement.

1.3 Coordination; Schedule of Services. Consultant will perform the Services as and when requested by City. Consultant will coordinate its performance of the Services with the city manager (or his or her designee). Consultant and City will routinely consult with each other to ensure effective and efficient provision of the Services.

1.4 Conditions Precedent. Notwithstanding anything contained in this Agreement to the contrary, City's performance of its obligations under this Agreement is conditioned on Consultant's performance of its obligations under this Agreement, including, without limitation, those Consultant obligations identified under Section 4.4.

2. Compensation.

2.1 Compensation. Subject to the terms and conditions contained in this Agreement, in consideration of Consultant's timely and faithful performance of its obligations under this Agreement, City will pay Consultant (a) a fixed monthly fee of \$12,500.00 (the "Monthly Fee") for the Services (excluding the Additional Services), and (b) a fixed hourly rate of \$225.00 for the Additional Services. Consultant will submit monthly invoices to City concerning that portion of the Services performed by Consultant during the immediately preceding month (each an "Invoice"). Each Invoice will contain the following information: (a) a summary of the Services (including any Additional Services, if applicable) performed by Consultant (and by whom); and (b) all other information and documentation City may reasonably request. City will pay the amount due under each Invoice within thirty (30) days after City has reviewed and approved the applicable Invoice. City's payment will be accepted by Consultant as full compensation for performing the Services to which the Invoice relates. No compensation will be paid by City for any portion of the Services not performed. Notwithstanding anything contained in this Agreement to the contrary, total compensation payable by City under this Agreement for performance of the Services will not exceed \$200,000.

2.2 No Benefits; Reimbursement. City will not provide any benefits to Consultant, and Consultant will be solely responsible for obtaining Consultant's own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans. Consultant will provide, at Consultant's cost and expense, all materials, equipment, and supplies necessary or appropriate to perform the Services.

3. Relationship.

3.1 Independent Contractor. Consultant is an independent contractor of City. Consultant is not an employee of City. Consultant will be free from direction and control over the means and manner of performing the Services, subject only to the right of City to specify the desired results. This Agreement does not create an agency relationship between City and Consultant and does not establish a joint venture or partnership between City and Consultant. Consultant does not have the authority to bind City or represent to any person that Consultant is an agent of City. Consultant has the authority to hire other persons to assist Consultant in performing the Services (and has the authority to fire such persons).

3.2 Taxes; Licenses. City will not withhold any taxes from any payments made to Consultant, and Consultant will be solely responsible for paying all taxes arising out of or resulting from Consultant's performance of the Services, including, without limitation, income, social security, workers' compensation, and employment insurance taxes. Consultant will be solely responsible for obtaining all licenses, approvals, and certificates necessary or appropriate to perform the Services.

4. Representations; Warranties; Covenants.

In addition to any other Consultant representation, warranty, and/or covenant made in this Agreement, Consultant represents, warrants, and covenants to City as follows:

4.1 Authority; Binding Obligation; Conflicts. Consultant is duly organized, validly existing, and in good standing under applicable Oregon law. Consultant has full power and authority to sign and deliver this Agreement and to perform all Consultant's obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of Consultant, enforceable against Consultant in accordance with its terms. The signing and delivery of this Agreement by Consultant and the performance by Consultant of all Consultant's obligations under this Agreement will not (a) breach any agreement to which Consultant is a party, or give any person the right to accelerate any obligation of Consultant, (b) violate any law, judgment, and/or order to which Consultant is subject, and/or (c) require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body. By signing below, Consultant certifies that Consultant (and Consultant's principals) are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in and/or performing the Services under this Agreement.

4.2 Licenses; Quality of Services. Prior to Consultant's execution of this Agreement, Consultant obtained all licenses, approvals, and/or certificates necessary or appropriate to perform the Services. Consultant will perform the Services diligently, in good faith and in a professional manner, consistent with the degree of care and skill ordinarily exercised by the same or similar professional consultants, and consistent with the terms and conditions contained in this Agreement. The Services will be performed subject to and in accordance with the Laws (as defined below). Consultant will be solely responsible for the Services. Consultant will make all decisions called for promptly and without unreasonable delay. All materials and documents prepared by Consultant will be accurate, complete, unambiguous, prepared properly, and in compliance with the Laws.

4.3 Insurance. During the term of this Agreement, Consultant will obtain and maintain, in addition to any other insurance required under this Agreement, the following minimum levels of insurance: (a) general liability insurance for all losses or claims arising out of or related to Consultant's performance of its obligations under this Agreement (including, without limitation, damages as a result of death or injury to any person or destruction or damage to any property) with limits of no less than \$1,000,000.00 per occurrence, \$2,000,000.00 in the aggregate; (b) comprehensive automobile liability insurance for all owned, non-owned, and hired vehicles (if any) that are or may be used by Consultant in connection with Consultant's performance of the Services with limits of no less than \$1,000,000.00 per occurrence, \$2,000,000.00 in the aggregate; (c) errors and omissions insurance with limits of no less than \$1,000,000.00; and (d) workers' compensation insurance in form and amount sufficient to satisfy the requirements of applicable Oregon law. Each liability insurance policy (except errors and omissions insurance) required under this Agreement will be in form and content satisfactory to City, will list City and each City Representative (as defined below) as an additional insured, and will contain a severability of interest clause; the workers' compensation insurance will contain a waiver of subrogation in favor of City. The insurance Consultant is required to obtain under this Agreement may not be cancelled without ten (10) days' prior written notice to City. Consultant's insurance will be primary and any insurance carried by City will be excess and noncontributing. Consultant will furnish City with appropriate documentation evidencing the insurance coverage (and provisions) and endorsements Consultant is required to obtain under this Agreement upon Consultant's execution of this Agreement and at any other time requested by City. If Consultant fails to maintain insurance as required under this Agreement, City may terminate this Agreement due to Consultant's default and pursue all rights and remedies provided under this Agreement and/or applicable law.

4.4 Compliance with Laws. Consultant will comply and perform the Services in accordance with the Laws. Without otherwise limiting the generality of the immediately preceding sentence, Consultant will comply with each obligation applicable to Consultant and/or this Agreement under ORS 279B.220, 279B.225, 279B.230, and 279B.235, which statutes are incorporated herein by reference. Prior to the Effective Date, Consultant obtained all licenses, approvals, and/or certificates necessary or appropriate to perform the Services. For purposes of this Agreement, the term "Law(s)" means all applicable federal, state, and local laws, regulations, restrictions, orders, codes, rules, and/or ordinances related to or concerning, whether directly or indirectly, Consultant, this Agreement, and/or the Services, including, without limitation, Oregon's prevailing wage rate laws (ORS 279C.800 through 279C.870) if applicable, all applicable City ordinances, resolutions, policies, regulations, orders, restrictions, and guidelines, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated.

4.5 Indemnification. Consultant will indemnify and hold City and each present and future City employee, officer, and representative (individually and collectively, "City Representative(s)"), harmless for, from, and against all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) damage, injury, and/or death to person or property caused by Consultant's acts and/or omissions (and/or the acts and/or omissions of Consultant's members, managers, directors, officers, shareholders, employees, agents, representatives, consultants, and/or contractors (individually and collectively, "Consultant Representative(s)"); (b) Consultant's failure to pay any tax arising out of or resulting from the performance of the Services; and/or (c) Consultant's breach and/or failure to perform any Consultant representation, warranty, covenant, and/or obligation contained in this Agreement. Consultant's indemnification obligations provided in this Section 4.5 will survive the termination of this Agreement.

4.6 Assignment of Studies and Reports. Consultant will assign all studies, reports, data, documents, and/or materials of any kind produced under this Agreement (individually and collectively, the "Deliverable(s)") to City upon the earlier of City's request or termination of this Agreement. All Deliverables provided to City will become the property of City who may use them without Consultant's permission for any proper purpose relating to the Services, including, without limitation, additions to or completion of the Services. City acknowledges that City's modification and/or reuse of the Deliverables without Consultant's prior approval will be at City's sole risk. Consultant will defend all suits or claims for infringement of patent, trademark, and/or copyright for which Consultant is responsible (including, without limitation, any claims which may be brought against City), and Consultant will be liable to City for all losses arising therefrom, including costs, expenses, and attorney fees.

4.7 Records. Consultant will maintain complete and accurate records concerning all Services performed, the number of hours each person spent to perform the Services, and all documents produced under this Agreement for a period of five years after the termination of this Agreement. Consultant's records concerning the Services will be maintained in accordance with sound accounting practices and in an acceptable cost account system. Consultant agrees to provide City access to any books, documents, papers, and/or records of Consultant which are directly pertinent to this Agreement and/or the Services, including, without limitation, Consultant's time and billing records, for the purpose of making audit, examination, excerpts and transcriptions. Consultant agrees to maintain all books, records, and/or reports required under this Agreement for a period of no less than five years after final payment is made and all pending matters are closed.

4.8 Confidential Information. During the term of this Agreement, and at all times thereafter, Consultant will maintain all Confidential Information (as defined below) in the strictest confidence and will not directly or indirectly use, communicate, or disclose any Confidential Information to any person, or remove or make reproductions of any Confidential Information, except that Consultant may (a) use Confidential Information to perform the Services to the extent necessary, and (b) communicate or disclose Confidential Information in accordance with a judicial or other governmental order or as required by applicable law, but only if Consultant promptly notifies the city manager of the order and complies with any applicable protective or similar order. Consultant will promptly notify the city manager of any unauthorized use, communication, or disclosure of any Confidential Information and will assist City in every way to retrieve any Confidential Information that was used, communicated, or disclosed by Consultant and will exert Consultant's best efforts to mitigate the harm caused by the unauthorized use, communication, or disclosure of any Confidential Information. Upon the earlier of City's request or termination of this Agreement, Consultant will immediately return to City all documents, instruments, or materials containing any Confidential Information accessed or received by Consultant, together with all copies and summaries of such Confidential Information. If requested by City, Consultant will execute a written certification satisfactory to City pursuant to which Consultant will represent and warrant that Consultant has returned all Confidential Information to City in accordance with the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the terms of this Agreement do not operate to transfer any ownership or other rights in or to the Confidential Information to Consultant or any other person. For purposes of this Agreement, the term "Confidential Information" means all documentation, information, and/or materials identified by City as confidential and/or any documentation, information, and/or materials relating to or concerning City's future plans, business affairs, employment, legal, and litigation matters that need to be protected from improper disclosure, in whatever form (e.g., hard and electronic copies, etc.), that is received or assessed by Consultant; provided, however, the term "Confidential Information" does not include City's public records which are non-exempt public records under applicable federal, state, and/or local laws.

5. Term; Termination.

5.1 Term of Agreement; Termination. Subject to the terms and conditions contained in this Agreement, the term of this Agreement commenced on the Effective Date and will remain in full force and effect for a period of twelve (12) months thereafter, unless sooner terminated or extended as provided in this Agreement. Notwithstanding anything contained in this Agreement to the contrary, (a) this Agreement may be terminated at any time by the mutual written agreement of City and Consultant, and/or (b) City may terminate this Agreement for convenience and without cause by giving thirty (30) days' prior written notice of such termination

to the other party. Upon receipt of the notice of termination, except as explicitly directed by City, Consultant must immediately discontinue performing all Services.

5.2 Immediate Termination. Notwithstanding anything contained in this Agreement to the contrary, City may terminate this Agreement immediately upon notice to Consultant upon the happening of any of the following events: (a) Consultant engages in any form of dishonesty or conduct involving moral turpitude related to Consultant's independent contractor relationship with City or that otherwise reflects adversely on the reputation or operations of City; (b) Consultant fails to comply with any applicable law related to Consultant's independent contractor relationship with City; (c) problems occur in connection with the performance of the Services; and/or (d) Consultant breaches and/or otherwise fails to perform any Consultant representation, warranty, covenant, and/or obligation contained in this Agreement. The determination as to whether any of the aforementioned events have occurred will be made by City in its sole discretion.

5.3 Consequences of Termination. Upon termination of this Agreement, City will not be obligated to reimburse or pay Consultant for any continuing contractual commitments to others or for penalties or damages arising from the cancellation of such contractual commitments, subject to City's obligations under Section 5.2. Notwithstanding anything contained in this Agreement to the contrary, termination of this Agreement by City will not constitute a waiver or termination of any rights, claims, and/or causes of action City may have against Consultant. Within a reasonable period of time after termination of this Agreement (but in no event later than five days after termination), Consultant will deliver to City all materials and documentation related to or concerning the Services.

5.4 Remedies. If a party breaches and/or otherwise fails to perform any of its representations, warranties, covenants, and/or obligations under this Agreement, the non-defaulting party may, in addition to any other remedy provided to the non-defaulting party under this Agreement, pursue all remedies available to the non-defaulting party at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

6. Miscellaneous.

6.1 Severability; Assignment; Binding Effect. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Consultant will not assign this Agreement to any person without City's prior written consent. Subject to the immediately preceding sentence, this Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. This Agreement may be amended only by a written agreement signed by each party.

6.2 Attorney Fees; Dispute Resolution. If any arbitration or litigation is instituted to interpret, enforce, and/or rescind this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney fees and other fees, costs, and expenses of every kind, including, without limitation, costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court. If any claim, dispute, or controversy arising out of or related to this Agreement occurs (a "Dispute"), City and Consultant will exert their best efforts to seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, either party may initiate a suit, action, arbitration, or other proceeding to interpret, enforce, and/or rescind this Agreement.

6.3 Governing Law; Venue. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this

Agreement. Any action or proceeding arising out of this Agreement will be litigated in courts located in Grant County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Grant County, Oregon.

6.4 Attachments; Further Assurances; Notices. Any exhibits, schedules, instruments, documents, and other attachments referenced in this Agreement are part of this Agreement; provided, however, if any exhibit, schedule, instrument, document, and/or other attachment conflicts with this Agreement, the terms contained in this Agreement will control. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. Time is of the essence with respect to Consultant's performance of its obligations under this Agreement. All notices or other communications required or permitted by this Agreement must be in writing, must be delivered to the parties at the addresses set forth above, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax or email transmission (with electronic confirmation of delivery), or by a nationally recognized overnight delivery service, or at the end of the third business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

6.5 Waiver; Entire Agreement. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by City and Consultant. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and contains all the terms and conditions of the parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. Consultant has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Agreement.

6.6 Person; Interpretation; Execution. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. The parties may execute this Agreement in separate counterparts, each of which when executed and delivered will be an original, but all of which together will constitute one and the same instrument. Facsimile or email transmission of any signed original document will be the same as delivery of an original. At the request of either party, the parties will confirm facsimile or email transmitted signatures by signing and delivering an original document.

6.7 Legal Representation. Bryant, Lovlien & Jarvis P.C. represents City only in connection with this Agreement and such attorneys represent only City in this matter. Consultant has thoroughly reviewed this Agreement with counsel of its choosing or has knowingly waived its right to do so. The rule of construction that a written instrument is construed against the party preparing or drafting such instrument will specifically not be applicable in the interpretation of this Agreement and any documents executed and delivered pursuant to, or in connection with, this Agreement.

[end of agreement – signature page immediately follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be made effective for all purposes as of the Effective Date.

CITY:

City of John Day,
an Oregon municipal corporation

CONSULTANT:

Catalyst Public Policy Advisors, LLC,
an Oregon limited liability company

By: Ron Lundbom, Mayor

Federal Tax Id. No.: 93-6002192

By: Nicholas Green, Member

Federal Tax Id. No.: 88-2145989

Exhibit A
Financial and Planning Services Proposal

[attached]



Financial and Planning Services Proposal

for the City of John Day



Financial and Planning Services Proposal

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Background

John Day's Opportunities and Risks

The City of John Day is in a highly unique situation. It has raised six times its average annual operating budget in capital investment while reducing its staff by over 40 percent. A typical Oregon city the size of John Day has an operating budget of \$4-5 million and 20-30 staff. At \$30.3 million and 14 staff, John Day is fighting well above its weight class. This creates both opportunities and risks. The most pressing opportunity is the ability to overcome decades of population decline and recover economically from the back-to-back recessions and natural disasters the community has faced. The biggest risk is that the City will fall behind in its planning, projects and financial commitments to its funding agencies – resulting in stop work orders, additional oversight, budget violations, and potentially the withdrawal of current and future funding. It is paramount the City avoid these pitfalls at a time when John Day has gained significant momentum as well as state and national recognition for its achievements.

Our Team

Catalyst is led by Nick Green, an expert public policy practitioner with 20 years' experience managing complex capital improvement projects. As the City Manager and Chief Planning Official for John Day, Nick successfully raised over \$26 million in capital investment grants for John Day from 2016-2022 from federal, state and nonprofit sources.

As the Executive Director of Grant County Digital, he currently manages a publicly-owned broadband consortium providing fiber optic internet to public agencies and nonprofits in Grant County. Nick is also a member of the iSector Housing Innovation Partnership, a statewide consortium focused on missing middle housing, finance and capacity building for rural communities.

Prior to forming Catalyst, Nick was a graduate student at the University of Washington where he earned his Masters in Public Administration, a Senior Associate with Booz Allen Hamilton, and a Project Manager with Jacobs Engineering.

Catalyst has the expertise and ability to help John Day navigate its current transition period by continuing the City's planning processes and navigating the complex state and federal capital funding landscape for its capital projects.

Our Proposal

Core Services

We propose to perform several core services for John Day that fall under three tasks. They are:

- 1) Strategic financial planning and management of the City's capital investments;
- 2) Master planning and implementation of the City's comprehensive plan, development code and other strategic planning documents; and
- 3) Contract administration for the City's capital improvement projects, land sales and other professional services agreements.

Task 1 – Financial Planning and Capital Asset Management

Catalyst will provide strategic financial planning and visionary thinking for long-term strategic investments, goals, plans and policies for the City of John Day, as well as day-to-day management of the City's current grant and loan obligations and capital outlay.

Specific services include:

- Administration of the City's current grants portfolio (shown in [Exhibit A](#));
- Debt management for City's loan portfolio (shown in [Exhibit B](#));
- Assistance to the City Recorder, Office Manager and other administrative staff to ensure compliance with state budget laws;
- Help monitoring the budget for necessary adjustments during the year, including preparation of supplemental budgets;
- Working with City's contract City Recorder, external auditors, financial advisors, legal counsel, bond counsel, underwriters and regulatory agencies to address capital finance planning and execution;
- Overseeing the Department of Revenue's administration of the City's transient lodging tax and creating/administering future marijuana sales tax receipts;
- Coordinating interim loan financing (bridge loans) for city projects like the aquatics center and wastewater treatment plant;
- Financial administration of the City's Urban Renewal Area; and
- Asset management for City's land sales, property transfers, System Development Charge (SDC) payment agreements and annexation agreements.

These services are not intended to displace the City's current administrative staff or its contract City Recorder, who are essential to the organization, but rather to augment their abilities during this critical transition period the City is engaged in extensive capital improvements and has no executive leadership at the helm.

John Day will be subject to federal single scope audits for the next 2-3 years for its ARPA, CARES, FEMA and USDA funding. The City cannot afford to take risk on these financial obligations. John Day has never been in default on its current financial obligations, but with 23 active grants and 6 loans, it will take additional monitoring and oversight to ensure the City maintains compliance moving forward.

Task 2 – Master Planning and Code Implementation

The City currently has no staff in its Planning Department. The City's new Community Development Director has an academic background in planning and the willingness to learn, but has no work experience in master planning or code implementation. He is also committed at least half-time to the Growing Rural Oregon (GRO) program for which he was originally hired and will be responsible for administering the new Main Street Revitalization Program and the City's downtown grant programs.

This is a critical time for the City to be without a professional planner. Three master-planned developments with 31 new lots are opening in 2022, which will result in a significant uptick in land use review applications. The City also has several consents to annexation for subdivisions and properties in the urban growth boundary that will require strategic planning for utility services, annexation and zoning amendments.

We propose the following planning services to assist the City with its planning efforts:

- Master planning and application processing for comprehensive plan updates, development code amendments, zone changes and legislative amendments (Type IV applications);
- Implementation of Site Design Reviews, Land Partitions, and Floodplain Development Applications (Type III applications);
- Assisting City staff with Type I and Type II application processing and Urban Renewal Applications (as needed);
- Continuing as the City's designated FEMA Floodplain Administrator;
- Acting as City's agent for ongoing brownfield remediation activities and other environmental coordination work (wetland delineations, SHPO cases, Section 106 consults, etc.);
- Executive-level program management of City's active capital improvement projects like the proposed library, aquatics center, and the improvements at the John Day Innovation Gateway;
- Acting as Chief Planner for City at meetings of the John Day Planning Commission; and
- Representing the City on Housing Innovation Fund legislative committees (iSector).

These services will address the more complex planning needs while the City's staff are in transition and will keep John Day at the center of the State's housing policy initiatives. Once a new City Manager is hired, some of these services could be transferred to that individual depending on their experience and qualifications. However, it is likely the City will need to retain professional planning services for these types of activities well into the future if the anticipated growth in housing and commercial development continues at its current pace.

Task 3 – Contract Administration

John Day has numerous professional services relationships with quality firms. These include: Opsis Architecture (aquatics center); Walker Macy (landscape architect); Straw-to-Gold (community engagement, recreation and tourism); Geobility (GIS services); Kennedy Jenks & Flagline Engineering (treatment plant and reclaimed water system); CwM H₂O (hydrogeologist); MCD Services (project management); EcoNorthwest (economic planning); and a host of local contractors like Benchmark Land Surveying (surveying), Sisul (engineering), and Field's Tree Services (landscaping).

The City also has several ongoing intergovernmental agreements and relationships with other agencies like the John Day/Canyon City Parks and Recreation District, Oregon State Parks, Grant County Digital and the Grant County Library Foundation, with various obligations related to these agreements. This includes shared capital investments like the new pool facility, the Kam Wah Chung Interpretive Center, John Day's community broadband and CyberMill projects, and the library land exchange – all of which are currently in progress but are not yet completed.

Finally, the John Day Urban Renewal Agency has three pending joint land development agreements for the Holmstrom Heights, Ironwood Estates, and Ridge housing developments. These new subdivisions have preliminary plats but have not recorded final plats that will allow for future land sales on individual lots. The City also has several property line adjustments, land sales and building leases in progress. These include: the Weaver building; the Innovation Gateway (1188 Destinations and OTEC property line adjustments and the future business park plat); pending sales at the Airport Industrial Park that have signed letters of intent but have not closed, and; lease/deed obligations associated with the capital construction of the John Day Community Broadband project and CyberMill.

Catalyst will continue to monitor and oversee these contracts, interagency agreements and land transactions for the City. Specific services include:

- Documenting and monitoring existing professional services agreements and financial commitments;
- Drafting new professional services agreement in concert with City's legal counsel;
- Coordinating with City staff to ensure contractors are compliant with deliverables, timelines and financial ceilings associated with their awards;
- Implementing property line adjustments, land exchange agreements, and ensuring proper recording of conveyance and ownership deeds;
- City's agent for future land sales at the Airport Industrial Park and Gateway Business Park, as prescribed in the expedited land sales ordinance and resolution.

These complex services agreements are both numerous and difficult to transition, as they require signature authority with the City's lenders, professional services firms, financial institutions and others.

Transitional Support

Catalyst has provided a separate proposal to the Grant County Digital Network Coalition to provide interim services as an Executive Director and to assist the Coalition with its ongoing obligations (see Grant County Digital proposal, enclosed). This scope of work was approved by the board of directors at their April 19, 2022 board meeting. The board authorized Chairman Josh Walker to work with the City to implement a professional services agreement based on that proposal.

We recommend exploring a similar transitional role for Catalyst as the City's contract Chief Financial Officer (CFO) and Chief Planner. The City posted and temporarily filled a CFO position last fall. John Day has also historically dual-hatted the City Manager as the Chief Planning Official. However, these roles were separated in the City Manager recruitment due to the challenges of managing multiple executive roles simultaneously. Providing contract services for these functions will buy the City time to re-evaluate its future personnel needs strategically and determine the best mix of government versus contract labor based on the City's long-term needs and financial capacity.

Requirements

In order to provide the proposed services, Catalyst has the following requirements:

- Executive-level signature authority for City programs and capital expenditures, including authority to manage grants, loan documents, service agreements, and other financial obligations for and in behalf of City, in accordance with established compliance processes and procedures;
- A public laptop (to ensure public records are kept within government channels);
- A public cell phone (to keep text messages and email communications within government channels);
- Access to City's public email account domain (grantcounty-or.gov). Catalyst will identify as a contractor in signature block and all written communications; and
- Access to City's monthly financial statements and reports for budget monitoring and capital program management.

Non-essential, but recommended considerations include:

- Granting Catalyst signature authority on check signing and wire transfers (as a backup to City's contract with Solutions CPAs); and
- Caselle training and access to City's new general ledger software (as backup to City's administrative staff).

Having these redundant services would allow Catalyst, on an as-needed basis, to assist City's administrative staff during leaves of absence or other critical periods. Having another external entity outside the City that understands and has been trained in the City's new financial management software will ensure continuity of operations in case of future staff shortfalls or other unanticipated circumstances.

Services not included in this proposal are:

- Agenda preparation;
- Meeting minutes;
- Review and approval of employee timesheets;
- Direct staff supervision and personnel management;
- Day-to-day project management of capital improvement projects¹;
- Grant writing for new grants not included in Exhibit A; and
- Loan preparation for new debt obligations not included in Exhibit B.

Timeline & Cost Proposal

We anticipate beginning work as early as July 1, 2022 or upon completion of a professional services agreement between Catalyst and the City.

We propose a flat monthly fee of \$12,500 for the services described in Focus Areas 1-3, with a minimum 12-month contract. This will ensure continuity throughout the hiring and onboarding of a new City Manager, the presentation of the FY22 audited financial statements, and preparation of the FY24 budget. This period of performance will also stabilize the professional services agreements and allow sufficient time to transition the bridge financing for the City's capital improvement projects.

City and/or Catalyst could include a 30-day notice of termination clause for either party.

We anticipate 80-90 percent of these services can be funded directly through the City's capital improvement grants already awarded, with the balance paid from Other Professional Services.

Additional (Optional) Services

John Day may have the opportunity to apply for additional infrastructure grants that leverage its current investments, specifically for the John Day Innovation Gateway. Catalyst can provide additional grant-writing services at its standard hourly rate of \$225 per hour on an as-needed basis post-award.

¹ Projects generally focus on outputs, while a program focuses on outcomes. As program manager, I will review and evaluate the City's portfolio by connecting with project teams to identify any risk mitigation or improvement opportunities with the goal of managing risk and ensuring the Council's desired outcomes are achieved.

Exhibit A. Current Grant Portfolio

GRANT	AGENCY	PROJECT TITLE	AGREEMENT NO.	GRANT AMOUNT
ODOT STIP	ODOT	395S Sidewalk Project	31224	\$753,705.00
HB 5006 (2019)	DAS	Broadband	2017HB5006	\$1,836,000.00
ODOT Safe Routes to Schools	ODOT	395S Sidewalk Project	N/A	\$1,136,000.00
CDBG Engineering	Business Oregon	Waste Water Facility Engineering	P18001	\$235,500.00
OEM Disaster Recovery	OEM	April 2019 Flooding and Street Repairs	4452-DR-OR	\$1,153,157.25
Large Gov't Grant	OPRD	Integrated Park System	LG-19-017	\$471,927.00
USDA ReConnect	USDA	Fiber Optic Expansion in Grant County	N/A	\$6,000,000.00
Special Cities Allotment	ODOT	April 2019 Flooding and Street Repairs	33832	\$50,000.00
Water/Wastewater Fund	Business Oregon	Business Oregon Water/Wastewater	Y21006	\$750,000.00
Outdoor Recreation Roundtable	ORR	Signs and Wayfinding	ORR	\$4,000.00
EDA FY20 CARES Act	EDA	John Day Community Broadband	07-79-07789	\$1,804,475.00
USDA Rural Development Grant	USDA	Rural Entrepreneurial Development (Oregon RAIN)	860186495	\$49,000.00
CDBG Construction	Business Oregon	Waste Water Facility Construction	P18001	\$2,264,500.00
Ford Family Foundation GRO	Ford Family Foundation	Growing Rural Oregon	N/A	\$30,000.00
HB 5006 (2021)	DAS	Kam Wah Chung Interpretive Center	107-2021-5006-19	\$1,000,000.00
HB 5006 (2021)	DAS	John Day Aquatics Center	TBD	\$2,000,000.00
HB 5006 (2021)	DAS	Wastewater Treatment Plant	8154	\$1,500,000.00
Business Oregon	Business Oregon	John Day SW 4th Avenue Road Repair	L22005	\$439,970.00
DLCD TA/Planning Grant	DLCD	3D Rural Housing for Regional Equity in Recovery	HA-23-172	\$60,000.00
Recreational Trails Program	OPRD	Innovation Gateway Trail System - Phase 2	RT-21-008	\$147,990.50
OWRD Construction	OWRD	Innovation Gateway Adaptive Water Reuse	TBD	\$2,900,000.00
USDA Rural Development WEP	USDA	Treatment Plant Construction	TBD	TBD
USDA Community Facilities	USDA	Grant County Library	TBD	\$2,000,000.00
23				\$26,586,224.75

Exhibit B. Current Loan Portfolio

LOAN PROGRAM	LENDING AGENCY	PROJECT TITLE	LOAN NUMBER	ORIGINAL PRINCIPAL	BALANCE
Washington Federal Consolidation Loan	WaFd	Water, Sewer and General Fund (Fire) Improvements	Term Loan	\$2,182,952	\$1,552,952
Infrastructure Finance Authority	Business Oregon	SPWF Loan for Oregon Pine Property Purchase (Gateway Project)	L17011	\$519,000	\$448,651
Infrastructure Finance Authority	Business Oregon	SPWF Loan for Greenhouse Project	L18006	\$350,000	\$306,219
Infrastructure Finance Authority	Business Oregon	Brownfield Redevelopment Loan (Iron Triangle Property)	N21005	\$595,000	\$484,088
Infrastructure Finance Authority	Business Oregon	Water/Wastewater Loan for Treatment Plant	Y21006	\$1,750,000	\$1,750,000
Infrastructure Finance Authority	Business Oregon	Urban Renewal Agency Housing Developments	TBD	\$1,850,000*	
TBD	TBD	Aquatics Center Bridge Loan	TBD	TBD	
WEP	USDA	Water Reclamation Facility	TBD	TBD	
				\$7,246,952	\$4,541,910

*Application submitted and pending award