

**John Day City Council**  
**January 9, 2018**  
**7:00 PM**  
**Fire Station, 316 S. Canyon Blvd**  
**AGENDA**

1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF CITY COUNCIL MINUTES OF DECEMBER 12, 2017.**
3. **APPEARANCE OF INTERESTED CITIZENS** – At this time Mayor Lundbom will welcome the public and ask if there is anything they would like to add to tonight’s agenda.

**ACTION ITEMS**

4. **RESOLUTION 18-777-01**  
Attachments:
  - Resolution 18-777-01, A Resolution to Transfer Appropriations between Categories within the Water Fund in the FY 2017-2018 Budget
5. **JOHN DAY HOUSING DEVELOPMENT DISTRICT**  
Attachments:
  - DLCD Grant Agreement (if ready)
  - Professional Services Agreement for Elaine Howard Consulting, LLC
6. **RESOLUTION 18-778-02**  
Attachments:
  - Resolution 18-778-02, A Resolution to Authorize Expenditures of the DLCD Technical Assistance Grant
7. **PUBLIC HEARING FOR RESOLUTION 18-779-03**  
Attachments:
  - Resolution 18-779-03, A Resolution to Establish an IT Fund by Supplemental Budget
  - Budget Supplemental
8. **RESOLUTION 18-780-04**  
Attachments:
  - Resolution 18-780-04, A Resolution Establishing Water Rates, Deposits, and other Related Charges
9. **RESOLUTION 18-781-05**  
Attachments:
  - Resolution 18-781-05, A Resolution Establishing Sewer Service and Connection Charges
10. **PUBLIC HEARING FOR RESOLUTION 18-782-06**  
Attachments:
  - Resolution 18-782-06, A Resolution to Adopt a Supplemental Budget Reversing the Appropriations of the General Fund as Adopted in Resolution 17-775-11, Creating the Main Street Revitalization Department within the General Fund and Appropriating Various Funding Sources that may be received prior to June 30, 2018.
  - Budget Supplemental

**11. RESOLUTION 18-783-07**

Attachments:

- Resolution 18-783-07, A Resolution of Support for the National Park System
- Documentation provided by the National Park Service

**OTHER BUSINESS**

**12. OTHER BUSINESS AND UPCOMING MEETINGS**

- January 13 – Oregon State Snowmobile Association Convention – City Mgr. Speaking
- January 18 – LOC Region 8 Small Cities Meeting (John Day Hosting)
- January 23 – City Council Meeting, 7PM
- January 29 – John Day Community Advisory Committee Meeting, 4PM

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 9, 2018

**SUBJECT:** Agenda Item #4: Resolution 18-777-01, A Resolution to Transfer Appropriations between Categories within the Water Fund in the FY 2017-2018 Budget  
Attachment(s)

- Resolution 18-777-01

## **SUMMARY**

Resolution 18-777-01 transfers funds between categories in the Water Fund. Funds in the following amounts will be transferred from Operating Contingency: \$2,000 for Materials and Services and \$17,000 for Capital Outlay.

These funds are necessary to complete the upgrade of the current water metering system. The BEACON® Advanced Metering Analytics (AMA) cloud-based software suite will replace the City's current software system (CONNECT). A Trimble Ranger™ 3 series outdoor rugged handheld computer will also be purchased to improve meter reading efficiency. Both products include BEACON AMA and Mobile Field Application Suite onsite training for public works staff. Total package cost for the water meter upgrades is \$13,000. A new workstation will also be purchased for utility account management at the front desk since the current system is two years out of warranty.

## **RECOMMENDED MOTION**

“I move to approve Resolution 18-777-01, A Resolution to Transfer Appropriations between Categories within the Water Fund in the FY 2017-2018 Budget.”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 9, 2018

**SUBJECT:** Agenda Item #5: John Day Housing Development District

- DLCD Grant Agreement
- Professional Services Agreement for Elaine Howard Consulting, LLC

## **BACKGROUND**

The City was awarded a housing development grant in December 2017 from the Oregon Department of Land Conservation and Development (DLCD) in the amount of \$37,800. These funds will be used to create a new housing development district for the City as part of its Strategy for Growth.

Among the options we are considering are the following:

- Creating a master plan for housing development
- Leveraging state and federal housing incentive programs
- Reducing regulatory hurdles to increase efficiency in home construction
- Providing services to reduce land development costs (i.e. street and other infrastructure improvements)
- Cash incentives to new home buyers / builders
- Economies of scale by building multiple homes simultaneously
- Tax incentives such as local improvement districts and tax increment financing that collateralize the cost of development over time

## **DISCUSSION**

I began soliciting bids from consultants in the fall of 2017 to support the City on its housing development plan. These efforts involved discussions with Business Oregon, the League of Oregon Cities, state legislators and other state agencies. Based on their recommendations and feedback, I down selected two consultants for final consideration: Elaine Howard Consulting and Tiberius Solutions.

Elaine Howard Consulting, LLC, is a single partner limited liability corporation specializing in creating vibrant cities using urban renewal/tax increment financing as an implementation tool. In addition to working with 75 Oregon cities and counties in their urban renewal planning, Elaine is active in statewide urban renewal planning and has co-authored the Urban Renewal Best Practices Manual. She has spoken at statewide conventions including the OCCMA and the Oregon League of Cities and testified at the legislature on urban renewal issues. Tiberius Solutions is a single-partner limited liability corporation based in Portland, Oregon specializing in urban renewal and public sector finance. Their Principal, Nick Popenuk, has earned results for more than 100 projects in seven states, for both public and private sector clients. Together, this team has collaborated in the development of 31 urban renewal plans for Oregon communities.

Elaine Howard Consulting and Tiberius Solutions submitted a joint proposal to the City to provide consulting services for our housing development district for a not-to-exceed price of \$35,000. Elaine Howard will serve as the prime contractor and will sub-contract with Tiberius for a portion of the project. The enclosed professional services agreement is ready for Council review and approval. Specific tasks and deliverables the team will perform are described in detail in Schedule 1.1.

## **TIMELINE**

Formation of the housing district will begin in January 2018 upon approval of the grant agreement and professional services agreement by the City Council. A formal housing plan under Oregon Revised Statute 457 will be submitted for approval in late spring, with the intention of making the housing development district effective on July 1, 2018. A proposed timeline is in Schedule 1.2 of the enclosed professional services agreement as shown below:

Preliminary Research/Scheduling for Public Meetings	January 2018
Community Advisory Committee Meeting #1	January 29, 2018
Community Advisory Committee Meeting #2	TBD March 2018
Draft Urban Renewal Plan and Report	TBD April 2018
Review and Adoption Hearings / Meeting #3	TBD June 2018

## **NEXT STEPS**

The City Council will need to approve the professional services agreement (enclosed) and sign the agreement with the Department of Land Conservation and Development (in final review by DLCD, will be provided prior to the council meeting if ready). Ultimate approval of the housing district will require public hearings and meetings with affected tax jurisdictions as well as two meetings with our community advisory committee prior to submitting the urban renewal plan for approval by the State. The first meeting is tentatively scheduled for January 29, 4PM at the fire hall. Members of the committee will be appointed by the city council during the January 23 city council meeting.

## **RECOMMENDED MOTIONS**

“I move to approve the professional services agreement with Elaine Howard Consulting, LLC (with a final effective date on or after the effective date of the DLCD grant agreement).”

“I move to approve President Schuette to sign the grant acceptance agreement with the Department of Land Conservation and Development (if ready).”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 9, 2018

**SUBJECT:** Agenda Item #6: Resolution 18-778-02, A Resolution to Authorize Expenditures of the DLCD Technical Assistance Grant

- Resolution 18-778-02

**SUMMARY**

Resolution 18-778-02 authorizes the expenditure of the DLCD Technical Assistance grant in the amount of \$37,800. These funds will be appropriated as a revenue and expenditure of the Community Development Investment Fund in the FY2017-2018 budget.

**RECOMMENDED MOTION**

“I move to approve Resolution 18-778-02, A Resolution to Authorize Expenditures of the DLCD Technical Assistance Grant.”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 9, 2018

**SUBJECT:** Agenda Item #7: Public Hearing for Resolution 18-779-03, A Resolution to Establish an IT Fund by Supplemental Budget

- Resolution 18-779-03
- Budget supplemental

## **SUMMARY**

Resolution 18-779-03 creates an IT Fund for the City and appropriates expenditures for the broadband network modernization effort, as discussed in the December city council meeting. This appropriation must be conducted as a public hearing. Notice of hearing was published in the Blue Mountain Eagle on January 3, 2018.

## **DISCUSSION**

The City of John Day has received funding in the amount of \$1,836,000 as appropriated by the state legislature in 2017 House Bill 5006. The enclosed resolution will establish a new IT Fund by supplemental budget to allow for expenditures during FY2017-2018. The IT Fund is structured similar to other City funds and will be administered by the City as the lead agency for the Grant County Digital Network Coalition.

The resolution appropriates expenditures in the following amounts within the fund:

- Personnel Services      \$25,000
- Materials & Services    \$66,800
- Capital Outlay            \$1,744,350

Personnel Services will cover the cost of administering the fund and organizing the Coalition and its activities. The Materials and Services provides for legal and professional services in support of the network modernization project, including the professional services agreements approved by the Council in December. Capital Outlay is reserved for future design/build of the network.

## **RECOMMENDED MOTIONS**

Council should move to open the public hearing.

Following public comment, Council may close the public hearing and vote on the Resolution.

“I move to approve Resolution 18-779-03, A Resolution to Establish an IT Fund by Supplemental Budget.”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 9, 2018

**SUBJECT:** Agenda Item #8: Resolution 18-780-04, A Resolution Establishing Water Rates, Deposits and other Related Charges

- Resolution 18-780-04

### **SUMMARY**

Resolution 18-789-04 proposes to raise our current water rates for residential customers from \$30.00 to \$31.00, a \$1.00 rate increase per month beginning January 1, 2018. The Community Development Investment Fund fee will remain at \$6. As discussed in prior city council meetings, the increase in the water rates is necessary to cover the depreciation of our capital assets in the water fund and to pay down the City's debt obligations for the West End Water System Improvements and the Industrial Park. Under the loan consolidation proposal approved by the City Council in December, both loans will be fully paid within six years (by the end of FY2024).

The City had a net increase in its Water Fund of approximately \$62,000 in FY2015, \$66,000 in FY2016 and \$160,952 in FY2017. Depreciation expense for the water system averaged \$121,950 for the past three years. Total accumulated depreciation for the water system is \$2,707,843.

### **RECOMMENDED MOTION**

"I move to approve Resolution 18-780-04, A Resolution Establishing Water Rates, Deposits and other Related Charges."



**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 9, 2018

**SUBJECT:** Agenda Item #9: Resolution 18-781-05, A Resolution Establishing Sewer Service and Connection Charges

- Resolution 18-781-05

**SUMMARY**

Resolution 18-781-05 proposes to raise our base sewer rates by \$1.00 beginning January 1, 2018.

The Sewer Fund had a net increase of \$56,000 in FY2015, \$9,000 in FY2016 and \$31,706 in FY2017 (excluding transfer of capital assets). Our depreciation expense for the sewer system averaged \$59,731 over this three-year period. Total accumulated depreciation in the sewer system is \$2,018,288. The sewer fund contributes 46% of the cost of the Business Oregon loan for the industrial park, with the water fund contributing 54%.

**RECOMMENDED MOTION**

“I move to approve Resolution 18-781-05, A Resolution Establishing Sewer Service and Connection Charges.”

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager

**DATE:** January 9, 2018

**SUBJECT:** Agenda Item #10: Public Hearing for Resolution 18-782-06, A Resolution to Adopt a Supplemental Budget Reversing the Appropriations of the General Fund as Adopted in Resolution 17-775-11, Creating the Main Street Revitalization Department within the General Fund and Appropriating Various Funding Sources that may be received prior to June 30, 2018.

- Resolution 18-782-06
- Budget Supplemental

## **BACKGROUND**

Resolution 18-782-06 creates proposed to create a new department within the General Fund for management of the Main Street Revitalization program. Creating this department requires a public hearing for the supplemental budget. Notice of hearing was published in the Blue Mountain Eagle on January 3, 2018.

This resolution also reverses the prior Resolution 17-775-11, which appropriated funding but did not create a new department. The resolution also anticipates additional funding that may be received prior to the close of the fiscal year and makes adjustments for fund balance changes within the General Fund as a result of creating the new department.

## **DISCUSSION**

Creating a new department within the General Fund allows the City to track and report its revenues and expenditures for the Main Street Revitalization program in a more transparent manner. The resolution appropriates expenditures in the following amounts within the department:

- |                        |             |
|------------------------|-------------|
| - Materials & Services | \$12,200    |
| - Capital Outlay       | \$1,489,000 |
| - Debt Service         | \$14,400    |

Materials & Services will cover the cost of property management for electrical, legal and property taxes. Capital Outlay of \$1.489M includes the \$100,000 purchase price of the building and \$1.389M for the renovation of the building and tenant improvements. Debt service includes anticipated principal and interest on loan for the initial hazard remediation. This department does not include Personnel expenditures in FY2017-2018 as that would require adjustments to our cost allocation for the Administrative Department and every other city fund. Administrative expenses will be included for this department in the FY2018-2019 budget. Revenues of \$1,515,600 include anticipated grant and debt proceeds as well as rental income of \$15,600 for the remainder of FY2017-2018. The project plan for the complete renovation will be discussed at the January 23 City Council meeting.

## **RECOMMENDED MOTION**

Council should move to open the public hearing. Following public comment, Council may close the public hearing and vote on the Resolution.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** January 9, 2018

**SUBJECT:** Agenda Item #11: Resolution 18-783-07, A Resolution of Support for the National Park System

- Resolution 18-783-07
- Documentation provided by the National Park Service

## **SUMMARY**

The City was contacted by the Restore America's Parks Campaign (Hilltop Public Solutions) with a request to pass a resolution of support for the National Park System. The email request was sent to Mayor Lundbom and is provided for Council review and discussion along with some supporting documentation provided by Hilltop Public Solutions. The Campaign's goal is to raise awareness about the \$11.3 billion deferred maintenance backlog facing the National Park Service (NPS) and implement long-term solutions to address the challenge.

The initiative collaborates with national partner groups, as well as state and local organizations, to effect change with Congress, the administration, and the NPS. Their goal is to influence policymakers to:

- Ensure that infrastructure initiatives include provisions to address park maintenance.
- Provide dedicated annual federal funding for national park repairs.
- Enact innovative policy reforms to ensure that deferred maintenance does not escalate.
- Provide more highway funding for NPS maintenance needs.
- Create more opportunities for public-private collaboration and donations to help restore park infrastructure.

Specific information related to the impacts of deferred maintenance on National Parks in Oregon is included in the information provided.

## **RECOMMENDATION**

Council should review the material and discuss whether they wish to pass the resolution in support of the National Park System. Passing this resolution is option and is entirely at the Council's discretion.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** January 9, 2018  
**SUBJECT:** Agenda Item #12: Other Business and Upcoming Meetings  
Attachment(s)

- LOC Bulletins

**OTHER BUSINESS**

- None

**UPCOMING MEETINGS**

- January 13 – Oregon State Snowmobile Association Convention – City Mgr. Speaking
- January 18 – LOC Region 8 Small Cities Meeting (John Day Hosting)
- January 23 – City Council Meeting, 7PM
- January 29 – John Day Community Advisory Committee Meeting, 4PM