

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

February 27, 2018

COUCILORS PRESENT:

Ron Lundbom, Mayor
Paul Smith, Councilor
Steve Schuette, Council President
Gregg Haberly, Councilor
Shannon Adair, Councilor
David Holland, Councilor

COUNCILORS ABSENT:

Councilor 6 Position Vacant

STAFF PRESENT:

Nicholas Green, City Manager
Valerie Maynard, ECC Director
Monte Legg, Public Works Director
Chantal DesJardin, Secretary
Ron Smith, JD Fire Chief

Richard Gray, JD Police Chief
Anna Bass, OPG
Matt Manitsas, Agribusiness Project Manager
Aaron Lieuallen, Senior Project Manager
Damon Rand, JD Police Department

GUESTS PRESENT:

Zach Mobley, GC Sheriff's Office
Glenn Palmer, Grant County Sherriff
Scott Myers, Grant County Judge
Thomas Hutchison, Oregon State Police

Rick Hanners, Blue Mountain Eagle
Parker Manitsas
Rebekah Rand
Jim Carpenter, District Attorney

Agenda Item No. 1—Open and Note Attendance

Mayor Ron Lundbom called the John Day City Council meeting to order at 7:00 p.m.

Agenda Item No. 2—Approval of City Council Minutes of February 13, 2018

Councilor Smith motioned to approve the February 13th minutes as presented. Motion was seconded by Councilor Schuette and passed unanimously.

Agenda Item No. 3—Appearance of Interested Citizens

Mayor Lundbom asked if the audience had any items they wished to be added to the agenda. *None were added.*

Agenda Item No. 4— Presentation of the Public Safety Annual Report for 2017

City Manager Green recognized: Chief Gray, Fire Chief Ron Smith, and Valerie Maynard, for their efforts over the course of the year, a difficult one, with consistency and poise. Green highlighted various findings in the report for each venue of public safety. The report emphasizes competing forces, a demand increase for public safety services with a strained financial capacity.

Scott Myers asked for clarification on the cost for Public Safety. Green responded the net cost to John Day taxpayers was \$572,000 in FY17. Myers asked what the typical cost is without the increased cost from visitors this year. Green noted that last years the cost was about \$20,000 less but still in the \$500,000 range. Valerie Maynard added that there was not additional staff, rather, the police department and dispatchers stepped up to handle the heavy call load. Green noted that the police department will soon be down to two certified police officers, with one in training, and some unpaid reserves. He added that if there were additional police unit to back up, three officers would be enough to cover a town of our size, but in our unique economic geography it will take adjustments to stay at that staffing level. If we want to hire another employee, we need to address what to do in four years when all the revenue combined does not cover the cost. Do you then go out for a location option levy or even renegotiation benefits? How do you get to a sustainable level of public safety spending? How do we address the knock-on effects to the other law enforcement agencies? How do we have that conversation to make an informed decision so that it is not just a reaction? One option is to try and hold at three officers but recognize that now and probably until 2019, that will be two units. That would result in changes to scheduling and benefits and other factors. Another question mark that will resolve some of the financial challenges is what will happen to dispatch. Each option will have a cost but each option will vary. In the local model the task force is looking at, the city cost will go down to about \$45,000 per year, which is still roughly 20% of the property tax to cover dispatch alone. Mayor Ron Lundbom commented that he found some of the numbers shocking. Councilor Schuette questioned whether it could be done with only two officers for a year. Councilor Adair noted that other cities are serving with two (per thousand) but every community is different. Councilor Schuette noted that it will put a lot of stress on those two officers. Valerie Maynard questioned if there are cities that only have two officers, an example of low staffing is in Burns, with three, who coordinate schedules with Hines to cover both cities. John Day does not have another police department and relies on State Police and the Sheriff's Office for emergency calls. There is a difference between what they will cover and what you are paying for as a resident of John Day. When you go down to two officers, 59% of the hours in a day are uncovered. Ron Smith added that the two officers is per thousand, for a larger city with ten officers you can cover the shifts; with even three people it is difficult to cover, such as vacation, sick day, days off. The fire department depends so much on the police because typically they can arrive on scene before and inform them about the situation; there is a strong tie in the two systems. Maynard added that spreading them thin, you burn out employees and the people are more important than that.

Mayor Lundbom added that, though it ended up that way, the council did not ask the department to go down to three staff. Councilor Adair stated that another question is how to get another person quickly, to get someone to our community is going to be a challenge. Chief Richard Gray stated that an EMT hired by the Hospital recently, has a husband who is Law Enforcement certified and looking to move here. Councilor Holland noted that unless you hired a fully trained officer, you would be in the same boat to bring on another officer; only two officers could respond on their own. Mayor Lundbom asked what calls, we get in John Day, that Prairie City wouldn't get action for; what justifies us having someone on to respond at night versus another city. Valerie Maynard noted that, others agency officers can verify, John Day is the hub, where the incidents occur most and a police presence deters more events from occurring in the first place. City Manager Green added there is a misconception that because John Day is the economic center of the county, they must be flush with cash. Our property values are as depressed as everyone else's, the net tax increase for the entire city is only about \$6,000 each year but police cost goes up by \$10,000 and dispatch goes up by \$12,000. If we built forty new homes, the increase in property tax would cover the cost of one more officer. John Day is the 4th lowest in assessed value and has the 2nd lowest real market value in the entire state. On top of all of this, voters elected, in the 90s, to cap property tax increase at three percent, or less, annually. The net receipt to the city is

minuscule. The city does not have a lot of control on the revenue side, even though we are the center of economic activity, our revenue hasn't come close to keeping pace with the cost of services. The state bailed us out for the last 2 years on 9-1-1, but you cannot go back to the state again to say "it turns out we are still broke and how about another \$400,000". Additional thoughts on working with law enforcement were given without any response from attending agency representatives.

Green stated that if you cannot afford to run 4 (officers) and you can't operate on 3 or 2, where does that leave you? We will have to get much more sophisticated on how we deploy our staff; how we triage our calls. If we can make the case to the public that this is worth funding' that is another option; it is a difficult one because: our businesses are closing and our residents are feeling the same squeeze we are feeling. What we cannot do is: hope, pretend, or wish that somehow we will keep the status quo going. Unless something bends that cost curve down or increases the revenue curve, this is not a sustainable situation.

Councilor Haberly, stated "I see something in there I didn't like, we are not responsible for drugs, I did not like that. I don't care about dogs barking all night long, I want to see drug use stopped. We have a problem in Grant County. You are not going to convince the public to fund anything until we solve the real problems instead of some this petty stuff that is getting taken care of". Sergeant Hutchinson commented, "I would like to say you are 100% right. Those drug crimes feed the rest of the crimes, property crimes and personal crime, but it is expensive and time consuming to battle. It is not as if John Day hasn't contributed to the battle of drugs. They are inundated with your everyday mundane theft and domestics and it is expensive to call in (officers) to work these drug cases. It is not a nine-to-five battle, it is also two in the morning. We need to make the public aware of our drug problem; it is getting intense."

City Manager Green stated we are not solving this tonight. He suggested the council could move into executive session if they want to talk about details. They have some near term decisions to make regarding the contract with Prairie City. If we are not staffed to cover John Day, how do we cover Prairie City? There is a 90-day termination requirement in the police services contract. Any discussion about staffing levels, schedules, hours, compensation has to be negotiated with the Peace Officers Association in executive session. There was discussion in regards to Reserve Police Officers and volunteering more help. Anna Bass noted that there is still a cost. Zach Mobley noted that it takes officers and time to train reserves. Councilor Adair suggested having a work study and brainstorming ideas. City Manager Green stated a solution is to grow and to get back to the way we were, with positive growth trajectory. This is a long-term solution but we have a near-term and a mid-term financial challenge.

Agenda Item No. 5—9-1-1 Center Transition Update

City Manager Green explained the attached letter is an invitation for a meeting on March 20th; this will be a 9-1-1 user board meeting. He is asking each agency to send one authorized representative. No decision is expected in the meeting, but this will be the first opportunity to present each of the three options. We will present what we know about the cost, we may not have all the cost information but enough for them to get a sense of the cost, which is a high priority. There is other criterion for users to consider, such as the level of control between whether you are a member of the board that oversees the agency, if you own the agency, or if you are a customer. There are varying levels of control over the cost and the quality. Quality of service is hard to anticipate, we have to consider accessibility of the dispatchers and the services that they provide behind the scenes. Another is the economic cost benefit of the three options. In the local option, we keep six jobs in Grant County. In the other two, we almost

certainly will lose them. The individual employees may stay employed, but the lost opportunity, cost or benefit, of those jobs will go outside the county. If it would stay local, how would you structure so it is fair, so that one user doesn't pay more than another, relevant to their ability to pay or to their use of the system. The taskforce has developed a hybrid cost model that is a variation of what is used in Umatilla County. It is the closest model that balances the fund and what they think will be sustainable for the local cities. Ultimately, that will be their call. We are not telling them what they have to do; just telling them what we see as options. The Office of Emergency Management has told us what will happen if we do not come to an agreement. It is imperative the users come to a consensus on which of these three options we are going to choose. OEM will support whatever decision we make and they will do the maximum allowable under the law to help us move into that option. Under the hybrid cost model, the taskforce is proposing: the smaller cities combined will pick up about eleven percent of the cost; John Day, twenty-two percent; Blue Mountain Hospital, eight percent; and Grant County, fifty-eight percent. It is a reduction for John Day but is still a significant financial lift at \$45,000 or so, (based on a \$200,000 funding deficit, depending on the state tax receipts). Green expects the other two options will be less expensive for the smaller cities, around \$1,500 or less.

City Manager Green is concerned about the dispatchers. If they sense they may not be employed, they will look for employment elsewhere. He suggested considering options to incentivize them to stay to the end, so we can continue to provide the level of services our public safety departments need and depend on. He noted the need to budget for potential severance packages and negotiations with the collective bargaining unit, to give the staff a reason to stick-it out. He added that we have remarkable dispatchers and they need to take care of their families. There will need to be discussions prior to going into our budget committee, so we can plan and give them assurance that we will support them throughout this process.

City Manager Green stated that the current tax sunsets on December 31, 2021; less than four years out, to potentially have some kind of change to the state 9-1-1 tax. He thinks it will go up, but it is never that simple and there is a lot to consider, including PERS. If there is an increase, we could go from being upside down to positive fund balances. The question is, do we buy time and wait to the end of 2021, then make the decision once we know what the tax reset looks like. The sunset was information the city didn't have before they started this process but learned from OEM.

Councilor Smith asked if it is still a fact that the city will have to have a different organizational structure for FY 2019/20. City Manager Green stated that is the case, and regardless of which option is selected, there will be a cost. There will have to be a new cost share agreement, that distributes the cost fairly among all the users and the incorporated jurisdictions, so that it does constraint them all among four agencies.

Discussion continued to clarify about the upcoming meeting on March 20th. Green also clarified Ron Smith represents the Grant County Fire Defense Board not the Rural Defense Board as written in his memo to the council.

Agenda Item No. 6—U.S. Highway 395 Sidewalk Extension Update

City Manager Green stated the sidewalk project cost has exceeded the funding dramatically. He talked to Sean Maloney (ODOT) after the last council meeting to determine if there were a way out of this agreement or the ability to push pause until the numbers look better and then re-evaluate. Mr. Maloney ran this by ODOT, who is in conversation with the Federal Highway Administration to see if we could,

effectively, create a shelf ready engineering project by using the analysis and engineering that is already done and leave it at that. It will be a shelf ready project for a future date; the city would not expend any additional funding nor would ODOT. We would not get the Multimodal Transportation Enhancement Program (MTEP) grant, the \$840,000 would go back to ODOT to plan other projects, but we would not incur additional cost in order to get out of the agreement. Green asked for the council's thoughts on this potential option. There was conversation and agreement that the cost is too high and could be money better spent. Councilor Holland stated that it is a huge cost for a small benefit.

There was a consensus to move on from the project and come back to this on a future date, if ODOT gave the option.

Agenda Item No. 7—Other Business and Upcoming Meetings

- Mar. 12—Pre-evaluation Meeting for TGM Grant Award (Contract Review Board)
- Mar. 13—City Council Meeting (7PM)—State of the City Address
- Mar. 14—Community Advisory Committee Meeting #2 (4PM)
- Mar. 20—TGM Selection Meeting (Contract Review Board)
- Mar. 20—911 User Board Meeting (7PM, Fire Hall)
- Mar. 27—CANCELLED (No City Council Meeting)

Mayor Lundbom told Valerie Maynard good job and thanked Richard Gray. He thanked Damon Rand for 17 years and stated he will be missed.

Councilor Schuette asked how we are doing on the local income survey. City Manager Green stated, we have a few more in and we have a lot of doors to knock on. We will have the results in March for the Budget Committee. We will also have the compensation analysis results back from LGPI, which will also inform some of the changes for the budget.

Councilor Holland asked if the survey will really give us a good overview on the average. City Manager Green explained; the LMI, results will be binding for 5 years. He stated, they compiled all of the residential users for both John Day and Canyon City then did a random number generator for each one.

Mayor Lundbom noted that no one has applied for the councilor position and to get the word out.

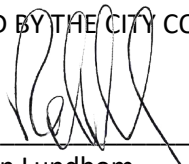
Adjourn

There being no further business before the council, Councilor Schuette motioned to adjourn the meeting at 8:23 pm. The motion was seconded by Councilor Holland, and passed unanimously.

Respectfully Submitted:

Nicholas Green
City Manager

ACCEPTED BY THE CITY COUNCIL ON March 13, 2018



Mayor Ron Lundbom