
CITY OF MILTON-FREEWATER GOVERNING BODY

Vacant At Large, Position 1
Steve Irving - Council President At Large, Position 2
Edwin E. Chesnut At Large, Position 3

Lewis S. Key Mayor
John Lyon Ward 1
Bradley J. Humbert Ward 2
Jose Garcia Ward 3

**CITY OF MILTON-FREEWATER
CITY COUNCIL MINUTES****January 11, 2021**

The Council of the City of Milton-Freewater met Monday, January 11, 2021 at 7:00 p.m. via virtual platform “Zoom” due to Coronavirus (COVID-19) pandemic and practicing social distancing to stay in compliance with the Executive Orders Issued by Governor Kate Brown.

The following City Council members participated: Mayor Lewis Key, Councilors John Lyon, Ed Chesnut, Jose Garcia and Steve Irving.

Councilor Brad Humbert was absent.

City Council At Large, Position 1 is vacant.

Staff members participating were: City Manager Linda Hall, City Recorder Leanne Steadman, Public Works Superintendent Brian Steadman and Engineering Technician Steven Patten.

Guests and citizens participating were: Dan Kilmer and Wes Koklich.

Representing the news media was: Sherrie Widmer of the Valley Herald and Sheila Hager of the Walla Walla Union Bulletin.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of:

- Council Minutes from December 14, 2020
- Accounts payables from December 8, 2020 through December 22, 2020
- Accounts payables from December 23, 2020 through January 5, 2021

Councilor Chesnut motioned to adopt the consent calendar items. Councilor Irving seconded the motion which passed unanimously.

BUSINESS ITEMS:**ELECTION OF COUNCIL PRESIDENT**

City Manager stated that the City’s Charter requires the election of a Council President from their membership at the first council meeting of each odd-numbered year. Councilor Chesnut has served since October 2019 when he was elected to serve the remaining term due to the passing of then Council President Orrin Lyon.

Councilor Chesnut stated his time as a Councilor is nearing the end and that he was not a good candidate for a full term.

Councilor Chesnut nominated Councilor Steve Irving to be the Council President. Councilor Lyon seconded the nomination. There were no other nominations, Mayor Key closed the nominations.

Councilor Chesnut made a motion to elect Councilor Steve Irving as Council President. Councilor Lyon seconded the motion which passed unanimously.

Manager Hall thanked Councilor Chesnut and stated when he does leave the Council he will be missed.

RESOLUTION NO. 2444, AUTHORIZING SIGNATURES TO THE CITY'S BANKING AND INVESTMENT ACCOUNTS

Manager Hall stated with the election of a new Council President, it was necessary to update the authorized signatures on the City's general banking accounts. The banking accounts will now include the new Council President, Steve Irving and it will retain the authorizing signatures of Mayor Lewis S. Key, City Manager Linda Hall, Finance Director David L. Richmond, and City Recorder Leanne Steadman.

Councilor Lyon motioned to Adopt Resolution No. 2444, Resolution Authorizing Signatures to the City's Banking and Investment Accounts. Councilor Irving seconded the motion which passed unanimously.

APPOINTMENT TO ADVISORY COMMITTEES; PLANNING COMMISSION AND LIBRARY BOARD

City Recorder Leanne Steadman reported in February of each year, staggered terms of the City advisory committees expire. She stated that a press release was published in the newspaper of record, the Valley Herald. The press release was also sent to the Walla Walla Union Bulletin and East Oregonian. It was also posted along with the committee application on the City webpage. She reported that Mayor Key had made the following recommendations for appointment to the advisory board and committees: to the Planning Commission – Nathan Lyon (4 year term), Brenna Moore (4 year term), and to the Library Board – Judy Piper (4 year term). There were no applications received for the Budget Committee.

Councilor Chesnut thanked those who volunteered for the various boards.

Councilor Chesnut motioned to approve the recommended appointments to the various boards and committees as suggested by Mayor Key. Councilor Irving seconded the motion which passed unanimously.

AWARD OF CONTRACT 296 – WELL 9 HYDROGEOLOGIC ASSESSMENT

Public Works Engineering Technician Steven Patten stated the City currently has seven basalt wells incorporated into the public drinking water system. With new development planned in the southern portion of the City this will likely increase water demand in the Middle and South Pressure zones. Well 9 is in the Middle Pressure Zone. One of these wells, Well 9, has not been used regularly since 2011 due to issues with water level drawdown during pumping and a hydrogen sulfide smell to the water. Staff drafted a request for qualifications (RFQ) for conducting a hydrogeologic assessment of Well 9 to determine the cause of the excessive pumping drawdown and the odor issue. The scope of work would include physical, chemical and biological assessment of the well to allow for recommendations for rehabilitating the well. The mechanical equipment in the well will also be inspected to ensure there are no mechanical issues that may be making the drawdown issue worse. The RFQ was published in November 2020 and was sent to six consulting firms as well as published online and in the newspaper. The City received submittals from five consulting firms. After careful review and scoring of the submittals, staff recommended

GeoEngineers, Inc. and Northwest Groundwater Services, LLC who submitted a joint statement of qualifications to be the best firm for the job after meeting all the requirements. The estimate for the assessment and other work mentioned is approximately \$33,500 which is within the \$75,000 budgeted for in the current fiscal year budget.

Councilor Chesnut asked if the firm selected was familiar with the area's aquifer situation.

Mr. Patten stated most of the firms that provided submittals are familiar with this area but the group selected has worked in the area for 15 years and have done work for the Cities of Walla Walla and Pendleton.

Councilor Lyon asked how many wells are in the middle pressure zone.

Mr. Patten stated there were four wells. Two wells pump up to the reservoir and two wells pump into the distribution system.

Councilor Lyon stated with the future growth, Well 9 needs to be able to be used.

Mr. Patten said a determination needed to be made if Well 9 can be used for future growth.

Manager Hall clarified that if Well 9 doesn't work out after all the assessments are done it doesn't necessarily mean the City will be drilling a new well. Other methods could be explored.

Mr. Patten stated this was not an emergency but a strategy to find out some information about the well and the future of it.

Councilor Irving motioned to approve GeoEngineers, Inc. and Northwest Groundwater Services, LLC as the most qualified firm to meet the needs of the City for the Well 9 hydrogeologic assessment, Contract 296 and direct the City Manager to negotiate for hydrogeologic consulting services for the Well 9 hydrogeologic assessment for a reasonable timeline and payment. Councilor Lyon seconded the motion which passed unanimously.

DISCUSSION ITEM – GOALS UPDATE – POLICE STATION FEASIBILITY

Manager Hall usually gives an update on all council goals, but the police station goal has been consuming the majority of her time and it is time sensitive so her update revolved around the council goal of "Explore feasibility of construction of new police station on city property (lot west of City Hall)". Manager Hall reported that to date the City has retained a bond attorney, bond financial underwriter, and design engineers and architects to produce a preliminary design, plan and cost estimates for a new police and dispatch station. The station would be located west of City Hall on an extra-large parcel of property already owned by the City. The design engineers and architects of FFA Design visited Milton-Freewater to view the site, meet with all members of the police department and gather feedback and get to know who Milton-Freewater is. The design options have been narrowed down to one in order to gain cost estimates to base the bond amount on. The preliminary design is for a 7,800 square foot single story building. The current space the Police and Dispatchers occupy is approximately 2,600 square feet. The estimated cost for the preliminary design, which is not the final design, is approximately \$7.6 million dollars. At the February Council meeting, a more detailed presentation will be made by the Design Team themselves so Council and the public can ask questions. Also at that February meeting, Council will need to decide for certain if the Bond Measure would be placed on the ballot.

Mayor Key said it looked to him from the preliminary drawing that was included in the council packet that the main parking will remain behind City Hall.

Manager Hall stated that was correct but there will be a handicap, visitors and police on duty parking space near the new building.

Wes Koklich asked if he could get a copy of the drawing and if that price included landscaping.

Manager Hall stated the conceptual drawings will not be available until February and that price was for all things related and needed for the new building, including landscaping.

Councilor Chesnut said he noticed the parking lot looked to be a single lane access and suggested the building be lined up with the property.

Manager Hall stated that was one thing that was likely to be changed and if there is room, a one-way drive way around the building would be designed in.

Dan Kilmer said he has spoken with local contractors and materials are now three times as expensive and hardware was in short supply. He stated he believed this was not a good time to build.

Manager Hall said in some ways it could work to the City's advantage. It will still take some time even if the Council authorizes the ballot measure to have a final design and seek bids to realizing the build, it could be well into 2022, when construction costs will hopefully be lower than currently under the pandemic-influenced economy.

Mr. Kilmer agreed that the prices of materials could level out by that timeframe.

Mayor Key said if all the new houses get built on the south hill like is planned then that would help spread out the cost of the bond measure.

Manager Hall agreed, the more households, the lower the bond amount. At the February meeting the financial experts will also be present.

OPPORTUNITY FOR CITIZENS TO APPROACH THE COUNCIL WITH ISSUES NOT ON THE AGENDA

Mr. Kilmer asked what the original price was for the bucket truck that was discussed at the last council meeting.

Manager Hall stated she was going to update the council on this subject under her manager's report but since Mr. Kilmer was inquiring about it she would just address it now. She said the electric department bucket truck bid was for \$195,500 from Terex as the original price would have been well over \$200,000. She said the truck was physically here and it was delivered New Year's Eve day and it actually arrived before any of the paperwork did for it. When the truck arrived, staff noticed there were more miles on it than told to staff by the salesman. Staff was originally told there were 5,000 miles on it and when the truck arrived it had approximately 11,000. The truck is still under full warranty and after inspecting the truck there will be a few things claimed on the warranty to be replaced. After receiving the paperwork, it was discovered that the salesman made a mistake and mistook a multiplier figure for an interest rate, quoting 1.5% interest rate,

which was incorrect and the paperwork indicated a 2.67% interest rate. After seeing this, she immediately called and negotiated a lower price on the truck due to the salesman's mistake and oversight. She was able to negotiate a reduction on the truck purchase price down by \$5,500 and they offered a 1.99% interest rate with annual payments. With the \$5,500 lower price than authorized by Council, the cost would have been an extra \$878 in interest at the higher interest rate over five years, so by far the \$5,500 off the truck prices was a greater savings.

Mr. Kilmer asked if \$195,500 was the asking price of the truck.

Manager Hall said no, it was the bid price as the original truck price would have been well over \$200,000.

A discussion ensued regarding the truck specifics.

Councilor Lyon asked if the truck price now was \$190,000.

Manager Hall replied yes.

A discussion ensued.

Councilor Lyon asked if it was known how many hours were on the truck.

Manager Hall said she was unsure about the hours but knew there were more miles than originally told to staff.

Mr. Kilmer stated obviously the truck was used in California and staff needed to do some more negotiating to get the price down even further.

Councilor Chesnut stated that was not his understanding of what prompted the negotiation. Staff was told there were 5,000 miles on the truck and when it arrived there were approximately 11,000. That, along with the difference in interest rate is the reason for the negotiation of the price.

Manager Hall stated she believed the reduced truck price by \$5,500 and an interest rate of 1.99% with annual payments was a fair deal. Bucket trucks or any type of electric equipment is in short supply and this truck is no different. If a deal could not have been made, Terex could have said to return the truck and they would move onto their next customer.

Councilor Irving asked if a new truck was to be ordered the cost would be over \$300,000.

Manager Hall said she could not quote an exact number but it would be over \$190,000.

Councilor Lyon recalled the bids being around \$230,000. He said the bucket trucks the department has now run so if Terex took the truck back they would have to find another customer which he believed was a negotiating benefit. If the department was down a bucket truck and really needed this one then he could see that there wouldn't be much leverage on negotiating. He said this truck wasn't really needed because the current trucks work. He asked if the department was that desperate for this bucket truck.

Councilor Chesnut asked if the department has to be in a position of desperation, or do we just meet our planning goals and efficient work.

Councilor Lyon stated this purchase was not planned three months ago only insulators and transformers were mentioned.

Councilor Chesnut asked if we as a City have to be in a desperate situation to justify purchasing something. He stated he thought not. He said he was not at all concerned about this being a “luxury” situation, the truck will be used. He was comfortable with this purchase and a little concerned with attempting to apply pressure to try and get another \$5,000 off the price when it’s known there is a demand out there for bucket trucks and losing this truck and ending up having to buy one for \$240,000-\$250,000 and waiting 18 months for it. He said he wasn’t sure if there would be any headway made out of that.

Councilor Irving asked if there was a bucket truck that fell out of certification.

Manager Hall said there is a bucket truck that has had a lot of problems with its hydraulics on the bucket and has been difficult to diagnosed and solve.

A discussion ensued regarding the truck just mentioned, its recertification and current status.

Manager Hall reviewed where we stood, capital purchases were originally planned but then cut out of the budget until we saw the economics going through this year. She said she and City Recorder Leanne Steadman were at the office and Ms. Steadman brought her the bid sheet for the other bucket truck bids. They were \$220,601, \$220,549 and two other suppliers declined to bid. Electric Superintendent Mike Watkins found this opportunity and this truck was already below the other bidders by \$30,000. The City has the ability to lease the truck with the option to buy for \$1.00 at the end of five years. The interest rate is at a very low rate of 1.99%. If there becomes a hardship, the truck can be sent back to Terex under the lease agreement. She said this was a unique opportunity to bring needed equipment in. It was presented to council at the December meeting and the majority of the council, there was one dissenting vote, motioned to award a much higher price for the bucket truck. Going forward if council were to change their mind on that decision the truck can be sent back. She stated she believed that a different truck would be more than \$190,000 and at a higher interest rate. She said she serves at the pleasure of the council and if that is now what is being decided the truck can go back, but it would require a motion approved by majority of the Council to reverse their earlier decision.

Councilor Irving said he agreed with Councilor Chesnut and if there was a consensus to move forward with staying with the original motion and bid award and plan to purchase the truck.

Mayor Key said sometimes you just need to update your equipment before it breaks down, otherwise you have a bunch of old broke down equipment.

Councilor Chesnut said if staff is having a difficult time troubleshooting the hydraulic issues with the bucket truck then professionals in the field should be hired to look at it.

A discussion ensued.

Manager Hall offered a study session on the new bucket truck if the council wanted more specific details about it and the current state of the other bucket trucks. She would ask the mechanics and the Electric Superintendent to attend. She said staff does not spend the public's money without regard. Most of the city's equipment is 20-25 years old and staff tries to be very proactive. The price of new vehicles and equipment is not getting any cheaper. She said staff is very transparent and she didn't have to bring this subject up to council but chose to do that with as much information as possible since it was slightly different than what council authorized in December. Staff is very cognizant of the finances and the rates that the citizens pay.

Councilor Lyon stated if Manager Hall was happy with the final price of the buck truck then so was he.

Councilor Chesnut said he had no interest in revisiting the councils' previous decision and thanked Manager Hall for doing the renegotiating based on the change of what was originally approved.

Manager Hall thanked Councilor Chesnut.

Councilor Lyon also agreed with Councilor Chesnut.

MANAGERS REPORT

Manager Hall continued with her Managers Report. She reported the renovation of the aquatic center was still moving forward as planned and Gillespie Roofing was making repairs and replacing the old roof material on the City Hall dome.

COUNCIL ANNOUNCEMENTS

Councilor Irving stated he was pleased to see Don Jackson doing some excavating next to his new property.

Mayor Key said the sign went up that day and a Dollar General Store was going to be built there.

Councilor Irving said he and his wife were traveling through the area of the City of The Dalles and was able to connect to their Cloud Internet. He said it would be worth investigating for the City to help citizens/kids in the area be able to connect to the internet.

There being no further business the meeting was adjourned at 8:11 p.m.

Lewis S. Key, Mayor