
CITY OF MILTON-FREEWATER GOVERNING BODY

Verl Pressnall At Large, Position 1
Steve Irving At Large, Position 2
Edwin E. Chesnut At Large, Position 3

Lewis S. Key Mayor
Orrin Lyon (CL President) Ward 1
Bradley J. Humbert Ward 2
Jose Garcia Ward 3

**CITY OF MILTON-FREEWATER
CITY COUNCIL MINUTES****April 8, 2019**

The Council of the City of Milton-Freewater met Monday, April 8, 2019 at 7:16 p.m. in the Albee Room of the Library, 8 SW 8th Avenue, Milton-Freewater, Oregon.

The following City Council members were present: Mayor Lewis Key, Councilors Steve Irving, Orrin Lyon, Brad Humbert and Jose Garcia.

Councilors Ed Chesnut and Verl Pressnall were absent.

Staff members present were: City Manager Linda Hall, City Recorder Leanne Steadman and Public Works Superintendent Brian Steadman.

Citizens and guests present were: Wes Koklich and Paul Seaquist.

Representing the news media was Sherrie Widmer of the Valley Herald.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of:

- Council Minutes from March 11, 2019
- Accounts payables from March 6, 2019 through March 19, 2019
- Accounts payables from March 20, 2019 through April 2, 2019

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

BUSINESS ITEMS:**PUBLIC HEARING REGARDING PROPOSED SALE OF SURPLUS PROPERTY EAST OF KEY BOULEVARD ON SOUTH HILL, APPROXIMATELY 3.98 ACRES**

Mayor Key opened the public hearing by reading the rules and stated this was a public hearing to consider comments from citizens regarding the proposed sale of 3.98 acres of surplus property, a vacant lot located East of Key Boulevard, on the South Hill. Council has declared the property to be of no public purpose, has no water rights and there are no foreseeable plans for its use in the future. According to an assessment in 2008 the property has an approximate assessed value of \$59,700.

No member of the Council declared ex parte contact and no audience member challenged any Councilor's right to participate in the hearing.

City Recorder Leanne Steadman stated the hearing had been published according to law and there were no written comments on file.

Mayor Key asked City Manager Hall to give the staff report.

Manager Hall stated over twenty-one years ago the City purchased the subject 3.98 acre parcel of property as part of a larger property purchase associated with the recruitment of Sykes Call Center locating here in 1998. The property has since been sub-divided and the City has retained ownership of the vacant parcel since it was purchased. The idea was that the property would eventually be sold to a business developer as the hill developed and the city grew. It was mapped and zoned "BP" for Business Park, which allows commercial and light industrial type businesses. The property has been shown at least a half-dozen times to interested parties, but for one reason or another, the sale of the property fell through. Last December, she was contacted by a potential buyer who expressed interest in the lot as a potential site to build their business headquarters. The proposed sale of the property to this business owner would be \$27,500 cash plus the construction of the 710 feet of sewer main line to the City's standards. The value of the sewer main job were it to be bid out would be approximately \$51,830, bringing the total value of the sale of the property to \$79,330. It was assessed in 2008 as being worth approximately \$59,700, so this package sale proposal is worth almost \$20,000 more than the assessed value, plus it will begin to generate tax revenue.

Councilor Lyon asked why the sewer line needed to be done.

Manager Hall stated at the time the City purchased the entire property from the Key Family it was part of the sales agreement arrangement and negotiations at the time and there was a list of items made part of the agreement, one of them being to extend the sewer main across the lot to the south hill.

Mayor Key opened the floor for citizen comments. There being no comments, the Mayor declared the hearing to be closed.

There were no additional questions from the council.

Councilor Humbert motioned to approve terms of the sale of 3.98 acres of surplus city property located east of Key Boulevard and direct the City Manager to proceed with the sale. Councilor Irving seconded the motion which passed unanimously.

APPROVAL TO AWARD PROPOSAL FOR WELL NO. 6 ELECTRICAL UPGRADES

Public Works Superintendent Brian Steadman stated that Well No. 6 has required some emergency repairs in the recent past to keep it up and running. There is now a need to perform some electrical upgrades to it. Staff received three proposals for the work to be done and Doyle Electric of Walla Walla came in as the low bidder. Staff's recommendation was to award the bid to Doyle Electric.

Councilor Humbert motioned to award the proposal for the removal of the old existing gear, furnishing and installation of the new motor drive in Well #6 to Doyle Electric of Walla Walla, Washington as they the current service provider by contract as well as the low proposer in the amount of \$31,463.80. Councilor Irving seconded the motion which passed unanimously.

RESOLUTION NO. 2388, AUTHORIZING SIGNATURE TO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF OREGON DEPARTMENT OF TRANSPORTATION FOR DOWNTOWN IMPROVEMENTS PHASE

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Public Works Superintendent Brian Steadman stated last fall the State of Oregon Department of Transportation (ODOT) completed a traffic revision on South Main/Hwy 11. The project was known as the 3-lane narrowing project and was largely in part due to the new school being built,

Gib Olinger Elementary School located on Mill Street. The agreement spells out the maintenance responsibilities between the City of Milton-Freewater, Milton-Freewater Unified School District and ODOT. The agreement also clarifies the maintenance funding requirements and responsibilities after the completion and installation of any new signs. The agreement is for twenty years.

A discussion ensued regarding the stripping and re-stripping of crosswalks.

Councilor Humbert motioned to adopt Resolution No. 2388, Resolution authorizing signature to the Intergovernmental Agreement No. 32776, Project Name, Downtown Improvements, Phase 1, City of Milton-Freewater. Councilor Irving seconded the motion which passed unanimously.

**RESOLUTION NO. 2389, AUTHORIZING SIGNATURE TO AMENDMENT #1
INTERGOVERNMENTAL AGREEMENT WITH STATE OF OREGON SAFE DRINKING
WATER FUND FINANCING CONTRACT**

Manager Hall stated last year the City entered into an Intergovernmental Agreement with the State of Oregon Health Authority Department to be a pass through agency to receive funding for a water line extension project. The project would extend the City's water main line north past city limits to serve Locust Mobile Village as well as Outwest Motel on Cobb Road and Highway 11. After the original agreement was executed it was discovered that the estimates for funding the private well abandonment and connections to the city mainline were not adequate. The City originally agreed to the project with the condition that the City not be charged for any of the expenses for the project, so the State will be contributing an additional \$59,300 for the well abandonment, bringing the project total up to \$501,300. For most of the project the City will be the pass through agency with the exception of the additional \$59,300.

Councilor Humbert asked if there was enough room for the utilities in the right-of-way.

Manager Hall stated while surveying the area it was discovered that there is a large phone line that runs in the right-of-way so one of the options is to ask for a twenty foot easement in the front of the affected properties to allow for adequate room for all future utilities.

A discussion ensued regarding an access road from Elizabeth Street to Cobb Road.

Councilor Humbert motioned to adopt Resolution No. 2389, Resolution Authorizing Signature to Amendment #1 of the Intergovernmental Agreement with State of Oregon Safe Drinking Water Fund Financing Contract. Councilor Irving seconded the motion which passed unanimously.

**REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR
FISCAL YEAR ENDED JUNE 30, 2018**

Manager Hall stated the Comprehensive Annual Financial Report (CAFR) is a document that the Finance Director and auditor put together which gives a clear picture of the City's history, financial status and statistics along with auditors comments regarding the annual audit. She said the budget document is also a good resource that gives you more of a year to year look at the financial status of the City. She stated the city has an extremely low debt to revenue ratio, which is very rare in a City of our size. She reviewed the excess of expenditures over appropriations for the golf course and stated that it is an Enterprise Fund which means it lives or dies on its own revenues. She then explained the "Deficit Fund Balances" for the golf course fund which showed \$(208,583) in the report. She explained that since this fund was an Enterprise Fund, the total assets versus total debts for the fiscal year were at a negative \$208,583 which is largely due to the irrigation loan that the golf course fund is paying on and has been able to only pay interest only.

This total includes the entire principal amount of the loan not just the annual payment. The final item Manager Hall reviewed was the “Related Party” transactions. She explained that the Milton-Freewater Urban Renewal Agency loaned \$195,846 to the golf course fund to pay off the existing external debt which is the irrigation system. The loan was to be repaid to the General Fund over a period of five years and include interest of 1%. The outstanding balance as of June 30, 2018 was \$141,774. She said if any council member or citizens have questions regarding the CAFR to please contact her and she would be happy to go over it with them.

UPDATE/PROGRESS REPORT ON CITY COUNCIL GOALS ADOPTED JANUARY 9, 2017

Manager Hall presented the updates on all the goals that had an update since her last report in February 2018.

MANAGER REPORT

Manager Hall stated she had received notification from Business Oregon that Governor Brown approved an award of \$230,000 from the Strategic Reserve Fund for a grant to mitigate the costs of the market assessment and design of the feasibility study for a wine production facility. This has been a project that staff , mainly City Planner Laurel Sweeney and Electric Superintendent Mike Watkins who was the Community Development Supervisor at the time until recently being promoted to Electric Superintendent, has been working on for quite some time and she stated it’s very exciting to get this news and the grant funding.

She said the first phase of replacing the street lights with LED lights has been completed and installed on Main Street.

COUNCIL ANNOUNCEMENTS

Mayor Key said he spoke at a Boy Scouts meeting, at their request, on what Mayors do.

Councilor Irving said the Walla Walla Basin Watershed Council was hosting a tour of their recharge program on Saturday, April 13, 2019 and there were still a few spots available.

Councilor Humbert commended City Planner Laurel Sweeney and Electric Superintendent Mike Watkins and said that he has recently worked on a project with both of them and that he was impressed. He stated that he also appreciated that Mr. Watkins has stayed involved in Economic Development even though he is now the Electric Superintendent.

Councilor Irving stated he appreciated seeing Mr. Watkins at the Ways and Means hearing in Pendleton where Manager Hall was testifying for the wine production facility that the city was awarded that was mentioned earlier in the Manager’s Report.

Manager Hall thanked the councilors that attended that hearing as well.

There being no further business the meeting was adjourned at 8:00 p.m.

Lewis S. Key, Mayor