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**CITY OF MILTON-FREEWATER GOVERNING BODY**

Damien Reino At Large, Position 1  
Steve Irving - Council President At Large, Position 2  
Wes Koklich At Large, Position 3

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

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**CITY OF MILTON-FREEWATER  
CITY COUNCIL MINUTES****March 14, 2022**

The Council of the City of Milton-Freewater met in regular session on March 14, 2022 in the Albee Room of the City Library, 8 SW 8<sup>th</sup> Avenue at 7:00 p.m.

The following members were present: Mayor Lewis Key, Councilors Steve Irving, Jose Garcia, Damien Reino, Wes Koklich and John Lyon.

Absent was Councilor Brad Humbert.

Staff members participating were: City Manager Linda Hall, City Recorder Leanne Steadman, Public Work Technician Steven Patten, Library Director Lili Schmidt and City Planner Laurel Sweeney.

Guests and citizens participating were: Ryan Westman, Markie McRae, Rick Piper, JoDee Widmayer, Dave Fox, Dan Dorran, Robin Wheeler, Karen Hendricks, Tina Kain, Jennifer Riley, Kevin Riley, Mardi Hagerman and Jacque Barthel-Fox.

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

**CONSENT CALENDAR ITEMS:**

The consent calendar items consisted of:

- Council minutes from February 14, 2022
- Accounts Payable January 21, 2022 – February 9, 2022
- Accounts Payable February 10, 2022 – February 22, 2022
- Accounts Payable February 23, 2022 – March 7, 2022
- Liquor license request from Los Rocosos Vineyards located at 500 E. Broadway Ave.

Councilor Irving motioned to approve all items in the Consent Calendar. Councilor Lyon seconded the motion which passed unanimously.

**BUSINESS ITEMS:****REQUEST – KIWANIS CLUB OF MILTON-FREEWATER REPRESENTATIVES ASKING FOR AN EXEMPTION TO CITY CODE 8-2-19 TO ALLOW ALCOHOL IN YANTIS PARK FOR THEIR FUNDRAISING EVENT**

Kiwanis Brews Fest Chairman Ryan Westman presented their details for their First Annual Milton-Freewater Kiwanis Brews Fest. He stated that Kiwanis strives to improve the lives of children through projects that fight childhood poverty and hunger, promote and enhance learning opportunities, and increase the quality of youth oriented events and activities. The club requested an exemption to City Code 8-2-19 to allow alcohol in Yantis Park for their fundraising event scheduled for May 21, 2022 from 4:00 p.m. to 9:00 p.m. Mr. Westman stated the fundraiser would

be an opportunity for attendees to try small 2-4 ounce samples of beer and cider from local breweries, along with local food vendors all while listening to music by local bands. He stated their goal was to offer a family friendly event.

Councilor Reino asked Mr. Westman how the club planned to keep alcohol in the park.

Mr. Westman stated the area will be fenced and there would be four monitors walking the area.

Councilor Irving asked what the fee was to enter the event.

Mr. Westman stated \$35 in advance which would include a souvenir glass and drink tickets.

Councilor Reino asked if the Chief of Police has weighed in on the allowance of exemption.

Manager Hall stated the Chief would have a chance to weigh in after the council has made a decision on the exemption.

A brief discussion ensued on what vendors would be at the event.

Councilor Lyon motioned to allow the Milton-Freewater Kiwanis Club request for an exemption to City Code 8-2-19, allowing them to lawfully sell and consume alcohol in Yantis Park for their Fundraising Event. Councilor Irving seconded the motion which passed unanimously.

### **ORAL PRESENTATION OF CITY AUDIT FOR FISCAL YEAR 2021**

### **MOTION TO ACCEPT AUDIT FINDINGS AND STAFF EXPLANATIONS**

### **RESOLUTION NO. 2481, AUTHORIZING MAYOR'S SIGNATURE TO LETTER ADDRESSING FINDINGS AND SUGGESTIONS FOR CORRECTIONS AS REQUIRED BY HB 2174**

City Manager Linda Hall stated the Annual Comprehensive Financial Report also referred to as the CAFR, was an annual document that shows a true reflection of the City's financial health. She highlighted some of the facts from the CAFR for fiscal year ended June 30, 2021. She stated overall the City received a clean audit. The financial statements are true and accurate. The City's financial net position reflects a healthy increase of \$326,327 mainly due to staff written grants and legislative cash from HB2017. The City has cash investments of \$11,682,644 which reflects an increase of \$751,097. The general fund revenues increased \$183,103 over the previous year, due to grants and increased state revenue sharing plus limits to expenditures. All the utility funds are healthy, electric revenues increased by \$600,000 but expenses for this utility are climbing dramatically. There were no rate increases in any utility fund last year, but she warned the council that this was not sustainable going forward. Manager Hall stated it wasn't all good news on the audit as there were two significant deficiencies reported. She explained the City was a pass-through for a grant from Oregon State Health Authority for Locust Mobile Village water line project for \$652,449, the auditors opinion was this should have been recorded as a forgivable loan and staff recorded it as a pass thru grant. The other finding was the refinance of the sewer plant improvement loan that was thru the State of Oregon, it was at 3.95% interest and staff refinanced the loan for 1.99% interest, saving the rate payers hundreds of thousands of dollars in interest. The auditors issued a finding that this should have been brought in as revenue then expended back out rather than go straight from the bank to the State of Oregon.

A brief discussion ensued regarding the pass through grant for the Locust Mobile Village water line.

Councilor Lyon motioned to accept Audit Findings and Staff Explanations and Corrective Measures for Fiscal Year 2021. Councilor Garcia seconded the motion which passed unanimously.

Councilor Lyon motioned to adopt Resolution No. 2481, Resolution Authorizing the Mayor's Signature to Letter Addressing Findings and Suggestions for Corrections as Required by HB 2174. Councilor Koklich seconded the motion which passed unanimously.

**RESOLUTION NO. 2482, TRANSFER FUNDS DUE TO UNFORESEEN REVENUES AND EXPENDITURES**

City Manager Linda Hall stated during the current budget year events have occurred that were not foreseen at the time the budget was being prepared. She reviewed the budget fixes that were necessary in order to stay in compliance with local budget law and to continue to provide services to the community.

Councilor Lyon motioned to adopt Resolution No. 2482, Resolution to make appropriations due to unforeseen expenditures and revenues. Councilor Irving seconded the motion which passed unanimously.

**RESOLUTION NO. 2483, AUTHORIZING APPLICATION TO A LOCAL GOVERNMENT GRANT FROM OREGON PARKS AND RECREATION DEPARTMENT FOR IMPROVEMENTS TO YANTIS PARK**

Public Works Technician Steven Patten stated the Oregon Parks and Recreation Department operates a Local Government Grant program to help local governments fund outdoor parks, recreation areas and facilities. The grants require at least 40% match based upon the population of Milton-Freewater. The proposed grant application request would be approximately \$114,000. The City would be required to provide at least \$76,000 of match. The total project cost, combining the grant funding and City match, would be approximately \$190,000. The City's match can be a combination of cash, labor, equipment, materials/supplies and other funding. The grant would span at least two fiscal years. Proposed match money would either come from the money received from Umatilla County or local option tax monies, if approved in May by the voters.

A brief discussion ensued regarding what could or couldn't be included in the grant request.

Councilor Lyon motioned to adopt Resolution No. 2483, a Resolution Authorizing Application for a Local Government Grant from the Oregon Parks and Recreation Department for Improvements at Yantis Park. Councilor Garcia seconded the motion which passed unanimously.

**RESOLUTION NO. 2484, AMENDING THE FEE FOR STREET OPENING PERMITS**

Public Works Technician Steven Patten stated utility work, such as installing water and sewer services, requires cutting a street or alley's surface. Cuts in the asphalt surfaces weaken and damage the street and shorten the lifespan of a street surface. The last time the street opening permits fees were updated was in 1996. After researching other cities fee schedules it was noted that most cities have moved away from lineal feet and moved to an area calculation. The new proposed fee is \$5.00 per square foot, or a minimum of \$150.00. A scaling factor for new versus an old street was included. The scaling factor is 3x for streets less than 5 years old, 2x for street 5-10 years old and no scaling for streets older than 10 years. With the City restarting its crack sealing

program and part of that program, all street cuts need to be crack sealed. The new permit creates a fee, if the user does not crack seal the patch, to help cover a portion of the cost to crack seal the patch. Existing fees not proposed to change are the late application fee and failure to restore surface fees, both of which are a 100% penalty for the permit fee.

Councilor Lyon motioned to adopt Resolution No. 2484, a Resolution Amending the Fee for Street Opening Permits. Councilor Koklich seconded the motion which passed unanimously.

**CONTRACT AWARD – TO CONFEDERATED TRIBES OF UMATILLA INDIAN RESERVATION (CTUIR) FOR DRIVING AND MAINTENANCE SERVICES FOR THE CITY-OWNED BUS FOR FIXED-ROUTE TRANSPORTATION**

City Planner Laurel Sweeney stated the City's bus program provides transportation within Milton-Freewater, and for anyone who wants to go to and from Walla Walla, Washington. It is a fixed-route system with designated times and stops. The City owns two vehicles that may be used for this service, one primary bus and one back up bus. The bus currently operates Monday through Friday with three trips daily. The City contracts driver services. The previous contract for driving expired December 31, 2021. Attempts were made to renew the contract prior to expiring. The negotiations were unsuccessful. The Confederated Tribes of Umatilla Indian Reservation (CTUIR) have agreed to provide the driving services and maintenance for the bus through December 31, 2022. The contract of \$84,200 is less than other quotes provided for driving services. It is anticipated that by contracting with CTUIR, a decrease of approximately \$20,000 is expected.

Councilor Irving motioned to award contract to CTUIR for driving services and maintenance for \$84,200 through December 31, 2022. Councilor Lyon seconded the motion which passed unanimously.

**RESOLUTION NO. 2485, AUTHORIZING AGREEMENT WITH UMATILLA COUNTY SPECIAL LIBRARY DISTRICT**

Library Director Lili Schmidt stated the library taxing district was established to provide financial support for libraries in Umatilla County. The monies distributed from the Library District provide a little over half of the funding for the city library. The Library District takes 20% of all tax revenue received for administrative costs and with those funds pays for membership to the SAGE Library system, and membership to the Oregon Digital Library Consortium. The new agreement includes a new tax revenue funding formula approved by the Library District Board in February 2021 and will go into effect July 2022. The effect of the new funding formula is approximately \$50,000-\$60,000 in increased revenues for the City Library.

Manager Hall stated that Ms. Schmidt has done an excellent job.

Councilor Irving thanked Ms. Schmidt for helping with the Friends of the Library book sale.

Councilor Lyon asked what was the plan for the additional funding.

Manager Hall stated the City has always made a general fund contribution to give the citizens the best library services so with the anticipated additional funding, the amount of general fund transfer will decrease.

Councilor Reino motioned to adopt Resolution No. 2485, Resolution Authorizing Signature to 2022 Agreement with Umatilla County Special Library District. Councilor Lyon seconded the motion which passed unanimously.

**OPPORTUNITY FOR CITIZENS TO APPROACH THE COUNCIL WITH ITEMS NOT ON THE AGENDA**

John Mitchell, 1012 Davis Avenue – he represented a group of citizens who believed the swimming pool water is too cold and they requested the Council to reconsider their decision on purchasing heat pumps to heat the water during the open season.

Jacque Barthel-Fox, 413 W. Broadway – referred to the collaboration between the City and the Walla Walla YMCA she also asked the Council to reconsider the purchase of heat pumps to heat the water during the open season.

Mardi Hagerman, 324 S. Elizabeth – gave history on Yantis Park and she also believed the water is too cold for swimmers.

Councilor Lyon stated as a council they will discuss the options.

Councilor Irving stated he felt there was a shortage of funding for all the recreational facilities.

Rick Piper, 81618 Lower Dry Creek Road – spoke about thermal pool covers and by using them the heaters could be turned off at night to conserve energy.

Markie McRae, 210 Locust Avenue, stated it was possible the pool wouldn't need to be heated as much further into the summer months.

Manager Hall stated the Aquatic Center was subsidized approximately \$240,000 each year and getting more expensive.

A brief discussion ensued regarding the Parks and Recreation Local Option Tax Measure.

Councilor Irving encouraged voters to support the Parks and Recreation Local Option Tax Measure being proposed on the May 17, 2022 ballot to help support more recreation facilities. He stated the new measure was \$.05 cents cheaper per \$1,000 of assessed value than the last local option tax measure, which was stated to be \$.32 cents per thousand.

The Mayor thanked the citizens for their comments.

Councilor Irving stated they would probably make a decision next month.

There being no further business, the meeting adjourned at 8:22 p.m.

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Lewis S. Key, Mayor