
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

**CITY OF MILTON-FREEWATER
CITY COUNCIL MINUTES****June 10, 2024**

The Council of the City of Milton-Freewater met in regular session on June 10, 2024 in the Albee Room of the City Library, 8 SW 8th Avenue at 7:00 p.m.

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

Staff members present were: City Manager Chad Morris, Assistant City Manager/City Recorder Leanne Steadman, Public Works Superintendent Brian Steadman and Finance Director Laurie Bubar.

Guests and citizens present were: Patty Key, Aidrea Lozano, Suni Danforth, Carol Irving, Adam Schmidtgall, Krista Gannon, Donna Sheridan, Arlen Calley, Mike Odman, Wyatt Arnerich, Wendi Daugherty, Ryan Westman, Kay West, Kenny Jenkins, Destiny Jensen, Tina Kain, Joe Shurtz, Lili Schmidt, Tracy Martinez and Jacque Barthel-Fox via telephone.

Representing the news media were: Sherrie Widmer of the Valley Herald and Sheila Hagar of the East Oregonian.

Chief Shurtz introduced Miguel Lozano who was selected by his school to participate in the “Chief for a Day” program. The two of them lead the Pledge of Allegiance.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of:

- Council minutes from May 13, 2024
- Executive Session Minutes, May 13, 2024
- Work Session Minutes, May 28, 2024
- Accounts Payable May 7th – May 21, 2024
- Accounts Payable May 22nd – May 31, 2024

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

PRESENTATION ITEM:**RECOGNITION TO WYATT ARNERICH FOR THE ANDERSON PERRY &
ASSOCIATES SCHOLARSHIP AWARD**

Adam Schmidtgall of Anderson Perry & Associates, Inc. presented Wyatt Arnerich with a \$1,000 scholarship award on behalf of Anderson Perry and the City of Milton-Freewater. The scholarship is offered to a graduating senior interested in pursuing a degree in Science, Technology, Engineering, and Math.

BUSINESS ITEMS:

REQUEST – KIWANIS CLUB OF MILTON-FREEWATER REPRESENTATIVE ASKING FOR AN EXEMPTION TO CITY CODE 8-2-19 TO ALLOW ALCOHOL IN YANTIS PARK FOR WEEKEND AT THE BLUES FESTIVAL AUGUST 2ND & 3RD, 2024

Kiwanis President Ryan Westman requested an exemption to City Code 8-2-19 to allow alcohol in Yantis Park for the Weekend @ the Blues Festival scheduled for August 2nd and 3rd, 2024.

Councilor Reino 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 the 3rd annual Weekend @ the Blues in August of 2024. Councilor Garcia seconded the motion which passed unanimously.

RESOLUTION NO. 2540 - TRANSFER FUNDS DUE TO UNFORESEEN REVENUES AND EXPENDITURES

City Manager Chad Morris stated during the current budget year events have occurred that were not foreseen at the time of the budget being prepared. He then summarized the transfers needed which were listed on the resolution.

A brief discussion ensued regarding the items listed.

Councilor Irving motioned to adopt Resolution No. 2540, Resolution to make appropriations due to unforeseen expenditures and revenues. Councilor Reino seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2541, RECEIPT OF STATE REVENUE SHARING FUNDS

Mayor Key opened and summarized the rules for a public hearing held for the purpose of gaining citizen input towards the receipt and use of State Revenue Sharing funds in the amount of \$95,000.

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

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

Mayor Key opened the floor to citizen comments. There being no citizen comments, the Mayor declared the hearing to be closed. He then opened the floor to the entire Council. There were no Council comments regarding the State Revenue Sharing funds.

Councilor Lyon motioned to adopt Resolution No. 2541, Resolution Electing to Receive State Revenue Sharing Funds for Public Safety Purposes. Councilor Reino seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2542, ADOPT FISCAL YEAR 2025 BUDGET (July 1, 2024 – June 30, 2025)

Mayor Key announced the public hearing rules read earlier would remain in effect. He said the public hearing was being held for the purpose of gaining citizen input towards the proposed city budget for fiscal year 2025.

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

Steadman reported the hearing had been published according to law and there were no written comments on file.

Mayor Key opened the floor to citizen comments.

Kay West, 712 College – recommended the budget be reviewed again June 24th as she wants to look at department head wages.

There being no other citizen comments, the Mayor declared the hearing to be closed. He then opened the floor to the entire Council.

Councilor Lyon asked if the council could make changes to the budget.

Manager Morris replied, yes.

Councilor Lyon stated for him to support the budget there were things in it that needed to be dealt with. One of those items was the assistant city manager. He stated in the 16 years that Linda Hall was the manager there was no assistant city manager and he believed one was not needed. There was an assistant city manager when Ms. Hall was gone and now Chad Morris is the city manager. He said it was an insult to Mr. Morris to say an assistant city manager was needed. He wanted to write the assistant city manager out of the budget and he stated he wanted to be on record saying that. He asked for a second.

Councilor Koklich seconded.

Councilor Lyon stated he talked to Manager Morris earlier in the day about the department heads receiving 26.5% cost of living increase over the last five years according to his calculations. He stated he worked for a public municipality and has received 17.5% cost of living increase for comparison. He stated that was a lot of money and with the assistant city manager that could save \$45,000 which would be better spent towards the Senior Center and MFCDA. He said the department head contract had an addendum in July 2023, but could not find where the council approved an addendum. He stated for him to support the budget, the department head cost of living needs to be "axed". He then asked about the Good Friday half-day holiday that the department heads received and that the other employees don't, he stated, "that needs to go", but was unsure how that could be done if it was in the contract. He said Linda Hall can not make an addendum on herself and that it needed to go to council as he stated he believed it was an ethical issue.

Councilor Koklich stated he has had people approach him about cost of living and that certain people get a 7% while others in the city get a 3%. His said it should be the same amount for all employees.

Manager Morris stated that all employees at the city, with the exception of him, are represented by a bargaining unit or union. Each unit negotiates for the cost-of-living increase, that number has been different for each of those bargaining units, some are the same amount, and range from 3% - 7%. He stated his understanding of the legality of the contract amount is what the employees are eligible to receive as negotiated. Those numbers are based on the contractual agreements and that is why

there are differences because they are represented by different bargaining units. He stated his focus has been on the budget and he has not gotten in depth into the cost-of-living increases. He stated he has not gotten into the department head wages or the issue with the assistant city manager position. He stated his understanding was that the council decided to leave the assistant city manager position in the budget in order to let him get settled in and then he would make that decision and determination on the position.

Councilor Lyon stated he had faith in Manager Morris and there never has been an assistant city manager before and that is \$45,000 that could go to the Senior Center and MFCDA. He said if Linda Hall felt it was necessary for an assistant city manager, she would have had one and he had brought it up to several people before.

Mayor Key recommended leaving the decision up to Manager Morris and that he can decide how long he needs an assistant city manager as it will take a while for him to get settled in.

Councilor Lyon stated in his opinion that is an insult to Manager Morris. The stakeholders picked him and said if council didn't choose him to go back out for a recruitment. He said there was ethical and charter issues with that.

Manager Morris stated that the council needed to make a determination on what they wanted to do.

Councilor Reino asked for clarification on the amendments.

Councilor Lyon stated to freeze the cost-of-living increase for the department heads and to "axe" the assistant city manager position out of the budget, but Manager Morris could put it back in if he felt it was necessary, nothing is permanent.

Manager Morris stated if the position was taken out now, there would need to be a budget amendment done in the middle of the year or have to wait until the next fiscal year.

Councilor Reino stated that by leaving the position in, it gave Manager Morris the contingency option to make the decision on his own.

Manager Morris recommended leaving the position in the budget and that he would look hard at the position and give his recommendation at the July 8th city council meeting. He stated if he determined the position was not needed, the money would be in the budget and could be used for other things. He said he would do some heavy consideration.

Councilor Lyon stated he has trust issues with the council and management and that he recognizes that Manager Morris was not part of the city's past.

Councilor Koklich stated he had concerns with the position in regards to the charter and ethics.

Councilor Lyon stated he posed questions to the assistant city manager about the city charter regarding the agenda order, under section 2 and he was unsure where it went from there and that this need to be taken care of now before "we" get into any new legal trouble.

Manager Morris stated Ms. Steadman had shared the email with him and his understanding was that there were arrangements made with the council. If that was an issue, that issue was no longer in effect and not a problem now that he was in his position as city manager.

Councilor Koklich suggested meeting June 24th to review whether there was a violation with the charter and ethics to be certain. He stated that if everything was left in the budget it would be on the council if “they ended up in hot water”.

Manager Morris stated he was unsure what difference it would make to wait until June 24th. Everything that has been discussed has been trimming expense accounts. As far as the ethics, unless there were concerns that he was not aware of, all the department heads directly answer to him. For any potential ethics issues that may have existed before he came on are no longer a concern.

Councilor Lyon stated the department head wages were set in contract and there wasn't much they could do about that until July 1st. He could not find where the agreement extension was approved by council and that was another ethical issue and it needed to be stopped now. He repeated again that for him to support the budget the assistant city manager position needed to be out and the cost-of-living out for the department heads and “we’ll” deal with it later.

Mayor Key stated once it's taken out of the budget there's nothing to deal with.

Councilor Humbert asked if the budget was passed as is, that he could come back and cut anything he wanted.

Mayor Key replied, that's correct.

Councilor Humbert recommended passing the budget as is and clean it up within three months.

Councilor Lyon stated there was no reason to wait.

Councilor Reino stated that he was willing to pass the budget now, knowing that adjustments can be made in the future. He stated he understood that if things were cut now then Manager Morris and his team couldn't do anything about it now.

Councilor Lyon made a motion to eliminate the assistant city manager out of the 2024-2025 budget. Councilor Koklich seconded the motion. Councilors Koklich, Lyon and Humbert all voted yes and Councilors Irving, Garcia and Reino voted no. Mayor Key broke the tie vote with a no vote resulting in the motion failing.

Councilor Lyon made a motion to freeze the COLA adjustments for the 2024-2025 year for the department heads. Councilor Koklich seconded the motion. Councilors Irving and Reino voted no and Councilors Garcia, Koklich, Lyon and Humbert voted yes, motion passed.

Manager Morris asked for clarification on freezing the COLA increases, if that was taking that out of the budget or just freezing them and not giving them out at this point in time.

Councilor Irving stated it was left pretty arbitrary.

Councilor Lyon stated to leave it in the budget and that it's frozen at this point in time.

Councilor Humbert asked if that will require an amendment to the budget.

Manager Morris stated he believed what that meant was that it's being left in the budget, but that expense was not being incurred immediately. If it's being left in the budget then it will stay in that line item.

Councilor Humbert stated his understanding was that the budget will be passed with some amendments or direction on how the money is going to be spent.

Manager Morris stated he believed that was the direction it was headed.

Councilor Reino motioned to adopt Resolution No. 2542, Resolution Adopting the budget for the 2024-2025 fiscal year in the sum of \$56,858,690 (including \$2,301,989 of unappropriated fund balance and reserves), levy taxes at the rate of \$3.7499 per \$1,000 of assessed value for operations, \$60,000 Local Option Tax for Senior Transportation, \$100,000 Local Option Tax for Parks and Recreation, \$300,000 for General Obligation Bond for new police station and make appropriations as listed on the Resolution. Councilor Irving seconded the motion with Councilors Irving, Reino and Garcia voting yes, Councilors Humbert, Lyon and Koklich voting no, Mayor Key broke the tie with a yes vote, resulting in the motion being passed.

RESOLUTION NO. 2543 – AMEND WATER RATES

Manager Morris stated the proposed resolution reflected a water rate increase that was adopted in the FY25 budget which reflects a 20% rate increase effective July 1, 2024.

Councilor Lyon motioned to adopt Resolution No. 2543 amending water rates. Councilor Irving seconded the motion which passed unanimously.

RESOLUTION NO. 2544 – AMEND GOLF COURSE RATES

Manager Morris stated the proposed resolution reflected a golf course rate increase that was adopted in the FY25 which reflects a 3% rate increase effective July 1, 2024.

Councilor Lyon stated that the golf course rates were raised last year.

A discussion ensued regarding the golf cart path conditions, rates and viability of having an 18-hole municipal golf course.

Councilor Irving motioned to deny the Municipal Golf Course rate increase resolution. Councilor Lyon seconded the motion which passed unanimously.

DISCUSSION ITEMS:

CITY DONTATIONS TO ORGANIZATIONS

Councilor Lyon asked if the Senior Center has been given support by the city.

Councilor Irving stated they have been supported by other organizations.

Manager Morris shared the process for community support requests from his previous employer. He stated he would look into a donation for the Senior Center.

RECREATION COMMITTEE

Councilor Lyon stated since December there has been a lot of people that have come to council meetings and has shared their concerns of the lack of transparency, they do not trust their governing

body and management. He said an example of this was when the question was asked at the May council meeting if there was an active recreation committee back in February on the 6th when “we” had the pool meeting where pool hours and days were discussed. Were the members present and the answer was yes. He said he looked at February 12th minutes and it appears that, he stated, that Councilor Lyon made a motion and Councilor Garcia seconded the motion to appoint George Gillette, Ryan Westman and Danny Sanchez to the recreation committee. According to his research there was only one member on February 6th who was a current recreation member John Mitchell. He stated in his opinion this was disrespectful to council, it’s not a simple misunderstanding or a lack of communication, he stated he could see what this is and it could hold up in a court of law. He said he can see how people can view the council with a lack of transparency and management. The pool hours and days open may or may not have been advertised well. The people are distrustful towards council and management and he also shares the same distrust. He said he was sorry this was all happening and unfortunate for a new city manager who has nothing to do with the city’s past to be faced with one councilman that he knows of that has trust issues. He stated he looked forward to working with the new councilman and mayor to close this gap between the citizens, governing body and management. He invited the current councilman and mayor to not only hear what the citizens say but to give them results.

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

Suni Danforth, 225 Maple Avenue – requested that the city council establish a Charter review committee.

Councilor Humbert stated he wouldn’t vote on that now as there was too much involved to have a Charter review. He suggested a work session instead.

Ms. Danforth then shared the outcome of Umatilla County’s Charter review and the items that were on the Primary 2024 ballot.

Councilor Koklich stated he was in favor to form a Charter review committee. Councilor Lyon seconded which passed with Councilor Humbert being absent for the vote.

Manager Morris asked if establishing a committee was the first step in the process and that he would need to look into that.

MANAGER’S REPORT

Manager Morris announced that June 25th was the date scheduled for the police department to move into the new building. There has been a request from the Milton-Freewater Senior Center for a brief presentation on the city’s Senior and Disabled Taxi program which is set for June 14th. He stated in the near future a goal setting session should be scheduled since the last goals ran through 2022. He reported that he will be at a conference the week of June 24th and the last item was that he would like to schedule one-on-one meetings with each city councilor as he works for the council as a whole body.

COUNCIL ANNOUNCEMENTS

Councilor Irving reported that Manager Morris’s attendance has been noticed at the Farmer’s Market.

Councilor Koklich invited Manager Morris to attend a Kiwanis meeting to meet the members. He reported that he attended the celebration for Bill Hansell who retire from the Senate. He stated he would like a townhall meeting with citizens and Tom Nash regarding graffiti and homelessness.

Councilor Reino thanked Milton-Freewater Chamber Downtown Alliance for their Friday Nights on Main and he reported the Kiwanis Club had a great event in May at Yantis Park. He then congratulated Mike Odman and Destiny Jensen.

There being no further business the meeting was adjourned at 8:34 p.m.

Lewis S. Key, Mayor