

June 22, 2009

**City of Milton-Freewater
City Council Minutes**

The Council of the City of Milton-Freewater met in regular session Monday, June 22, 2009 at 7:00 p.m. in the Albee Room of the Library.

The following members were present: Mayor Lewis Key, Councilors Orrin Lyon, Ed Chesnut, Sam Hopkins-Hubbard, Jeff Anliker, Steve Irving and Brad Humbert.

Staff members present were: City Manager Linda Hall, City Recorder Leanne Steadman, Public Works Superintendent Dave Bradshaw, Finance Director Dave Richmond, City Planner Gina Hartzheim and Electric Department Lineman Bill Daugherty.

Budget Committee member Wes Koklich was present.

No citizens were present.

Press member Melanie Hall of the Valley Herald was present.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of minutes from the June 8, 2009 regular council meeting, accounts payable from June 4, 2009 – June 16, 2009, liquor license request from the owners of El Sombrero Mexican Restaurant, Resolution #2131 Designation of Certifying Officer and Municipal Officer for the CDBG Residential Rehabilitation Grant and Resolution #2132 Amending the Golf Course Rates (3% effective July 1, 2009) per prior adopted resolution dated October 22, 2007.

Councilor Chesnut asked what type of review took place on the Golf Course rates and if there had been a discussion with the Golf Course Manager and Club.

Public Works Superintendent Dave Bradshaw said he had spoken to the Manager, George Gillette as well as the golf club.

City Manager Hall reported that in 2007 the Golf Course was struggling as it is virtually every year under the burden of the irrigation system debt service. At that time, staff had proposed a much higher than a three percent (3%) rate increase which council had concerns about. As a compromise, council had asked staff to try and promote the golf course in different ways to generate revenue. A couple of the promotions were the fifty percent (50%) rate reduction in the “off” season and brochures in motel/hotel rooms. Manager Hall said by doing that the city was able to hold off on the higher rate increase at that time. There was no increase in rates last year even though the adopted resolution allows for a three percent (3%) rate increase each year on July 1st. She said after discussing the issue with Public Works Superintendent Dave Bradshaw, Finance Director Dave Richmond and Golf Course Manager George Gillette it was decided to go forward with the proposed rate increase. Even though the previously adopted resolution allowed for an increase, Manager Hall said she wanted to bring it to a public meeting to afford the citizens and council a chance to comment on the proposal.

Councilor Humbert said he looked at and was comfortable with the golf course rate increase. He felt the fees were in line except for the golf cart rental. The cart rental was about ten dollars (\$10.00) per person higher than another course in the area.

Manager Hall commented that the cart rental fees were not the City's.

Councilor Chesnut motioned to approve the consent calendar items. Councilor Humbert seconded the motion which passed unanimously.

BUSINESS ITEMS:

PUBLIC HEARING AND ORDINANCE NO. 954 – AMENDING GOAL 9 OF THE MILTON-FREEWATER COMPREHENSIVE PLAN

Mayor Key opened and summarized the rules for a public hearing held for the purpose of amending the Goal 9 Section of the Comprehensive Plan by the adoption of the Economic Opportunities Analysis. He then explained that the testimony given in the hearing should be centered around the criteria for amending the comprehensive plan.

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 reported notice of the hearing had been published according to law and no written comments had been received in her office.

The Mayor then asked City Planner Gina Hartzheim to please present the staff report. Ms. Hartzheim reported the public hearing was for the Economic Element for the Comprehensive Plan. The Economic Element would become the new Goal 9 for the city's Comprehensive Plan. She stated the Economic Opportunities Analysis (EOA) was funded by a grant through the State of Oregon. Johnson Gardner, a consultant of Portland, Oregon was selected by the City to prepare the EOA and proposed amendments to the Comprehensive Plan. She stated there were two different committees that were formed to review the progress, the Technical Advisory Committee and Project Management Team. The amendments were ready to be considered for adoption. She said there was a great deal of data and other information gathered and analyzed by the consultant and were included in the finished project. The Economic Element contained goals and policies that would help guide the city through a twenty (20) year planning period. One of the elements of the process was the determination that the city was not in need of any additional land within the Urban Growth Boundary, the analysis found that the city had a surplus of over two-hundred (200) acres depending on which analysis that was chosen high growth, low growth or medium growth analysis. The plan did allow for added policies that the city would be able to take full advantage of economic opportunities that might present themselves in the future. The Planning Commission held their public hearing on June 11, 2009 and had recommended unanimously that the Economic Element be adopted with regard to the applicable criteria that related to the comprehensive plan amendment. She stated there was some son opus that was performed by the consultant that discussed the purpose of the economic element which was explained to determine what the city's economic goals, policies, and land needs concerning commercial and industrial development within the city limits and the Urban Growth Boundary (UGB) that will guide the City through a twenty (20) year planning period. There were very detailed standards that needed to be addressed that the consultant had followed and were contained in the Economic Opportunities Analysis (EOA) document. All the information would satisfy the requirement for the State in order for the city to get reimbursed for the grant expenses and

also contains all the background information that brought the consultant to the conclusion of whether or not the city needed additional land. The report showed the city was not in need of additional land but would give the city some opportunities in the future as projects may occur there would also be some spin off projects that may occur also from the EOA project which would include an Intergovernmental Agreement between Umatilla County and the City of Milton-Freewater that would address some administration of the lands that were outside the UGB. The area had yet to be determined. There would also be the possibility of the city looking at some urban reserves area which would allow the city to look at land beyond the UGB even though the report showed the city having enough land it would allow the city to look farther into the future to look at additional land to acquire for future development. Staff's recommendation was to adopt the findings of fact supporting the adoption of Goal 9 amendment and precede with the ordinance procedures.

Mayor Key then asked if there were any citizens or council members who wished to speak. No one spoke at which time he declared the hearing to be closed.

Councilor Chesnut referred to the Economic Opportunities Analysis report where it reported the office commercial, industrial and retail commercial land acreage findings. As the report showed the city had excess of gross acres especially in the industrial land. His concern was that the city did not have large sites available, ten (10) acres or more. He felt that was one of the most important aspects of the study and analysis was to come up with what was excess and what was missing as far as the needs. He suggested the possibility of Urban Renewal funds to aggregate some properties similar to what was done in Hillsboro, Oregon. It may be difficult and certainly risky but worthy of exploring and discussing the possibilities of bringing in those very small industrial properties together to produce larger ones.

Manager Hall said by the adoption of the report and the language that would go into the comprehensive plan under the economic element it would allow for the city to move a project much faster than how the plan was currently worded. All the correct steps would still need to take place to do so but it would expedite the process.

Councilor Chesnut then motioned to adopt the Findings of Fact and Conclusions of Law supporting the amendment to the Goal 9 Section of the Comprehensive Plan. Councilor Humbert seconded the motion which passed unanimously.

Councilor Chesnut motioned that Ordinance No. 954 be introduced by title only and full reading waived. Councilor Anliker seconded the motion which passed unanimously. The City Manager then read the ordinance by title. The council then introduced the first reading of Ordinance #954, Ordinance Amending Goal 9 of the Milton-Freewater Comprehensive Plan.

RESOLUTION NO. 2133 TRANSFER FUNDS DUE TO UNFORESEEN REVENUES AND EXPENDITURES

Finance Director Dave Richmond explained that during the current budget year there were events that occurred that were not foreseen at the time of preparing and adopting the budget. He reviewed the various departments that needed to have adjustments made in order to stay in compliance with the local budget law. One of the adjustments was for the fees associated with internet and credit card payments. There was \$1,495,000 paid by credit card and or debit card and there was a fee for each transaction either a percent or minimum charge. He said it is very expensive but an expense as part of doing business.

A discussion ensued regarding credit card fees and paperless billing.

Manager Hall said by offering credit/debit cards it had lowered the uncollectible debts.

Councilor Hopkins-Hubbard asked why the postage was high.

Mr. Richmond said the increase was partly due to the added increase to the postage and the finance department pays for all the departments.

Manager Hall said there were some extra mailings that went out to citizens regarding the floodplain meeting and she felt it was very important for as many citizens to know about it as possible.

Councilor Anliker asked if the newsletter contributed to the increase in postage.

Manager Hall said the newsletter was not paid out of that account and was budgeted for separately as a special project.

Councilor Humbert motioned to adopt Resolution No. 2133, Resolution to make appropriations due to unforeseen expenditures and revenues. Councilor Anliker seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2134 STATE REVENUE SHARING

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 receipt and use of state revenue sharing funds in the amount of \$45,955. The City Recorder reported the hearing had been published according to law and there were no written comments on file. Mayor Key then opened the floor to citizen comments.

There being no comments, the Mayor declared the hearing to be closed.

Finance Director Dave Richmond said the State Revenue Sharing Fund is based upon population and must be spent on public purposes. He stated the City had anticipated receiving \$45,955 which would be received quarterly.

Councilor Humbert motioned to adopt Resolution No. 2134, Resolution Electing to Receive State Revenue Sharing Funds in the amount of \$45,955. Councilor Hopkins-Hubbard seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2135 ADOPT FISCAL YEAR BUDGET 2009-2010

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 2009-2010. The City Recorder reported the hearing had been published according to law and there were no written comments on file. Mayor Key then opened the floor to citizen comments.

There being no comments, the Mayor declared the hearing to be closed.

Finance Director Dave Richmond said each year before July 1st, the city presents to council a budget as amended and approved by the Budget Committee. He said the budget committee had made a recommendation to levy taxes at a rate of \$3.7499 per \$1,000 of assessed value, \$60,000 Local Option Tax for senior transportation and \$102,550 for Bonded Debt. The total budget for fiscal year 2009-2010 was for \$24,319,707.

Councilor Chesnut motioned to adopt Resolution No. 2135, Resolution Adopting The Budget for the 2009-2010 fiscal year in the sum of \$24,319,707, levy taxes at the rate of \$3.7499 per \$1,000 of assessed value for operations, \$60,000 Local Option Tax for senior transportation and in the sum of \$102,550 for Bonded Debt, and make appropriations as listed. Councilor Humbert seconded the motion which passed unanimously.

RESOLUTION NO. 2136 AMEND WATER RATES

Public Works Superintendent Dave Bradshaw stated there was a fifteen percent (15%) overall rate increase proposed which was equivalent to a \$2.58 per month increase to the base rate. The increase was primarily due to increased cost of chlorine and other materials as well as additional water testing requirements. The increase would be effective July 1, 2009.

Councilor Hopkins-Hubbard asked what the difference was in the budget with the projected rate increase.

Mr. Bradshaw said the difference was fifty-six thousand dollars (\$56,000).

Manager Hall said the water revenue problem was not unique to Milton-Freewater and that other cities were struggling as well. She said ironically citizens are conscious of preserving resources such as the low water flow shower heads, toilets and landscape that require less water and in turn reduces revenues for the utility due to less water being used.

Councilor Hopkins-Hubbard understood that the city needs to maintain and pay for the fees that were being assessed but suggested that it be looked at closely.

Councilor Irving asked how the city's rate compared to neighboring cities.

Mr. Bradshaw replied he had received a list of other utilities from Manager Hall and Milton-Freewater was towards the bottom as one of the lower rates.

Councilor Hopkins-Hubbard motioned to adopt Resolution No. 2136, Resolution Amending Water Rates reflecting a fifteen percent (15%) increase effective July 1, 2009. Councilor Anliker seconded the motion which passed unanimously.

RESOLUTION NO. 2137 AMEND SEWER RATES

Mr. Bradshaw stated there was a fifteen percent (15%) overall rate increase proposed in the sewer rate schedule which was equivalent to a \$3.72 per month increase to the base rate. The increase was primarily due to the increased cost in operations and material as well as a loss in industrial revenues. The increase would become effective July 1, 2009.

Councilor Humbert suggested studying the implementation of a residential rate similar to the commercial rate of \$1.94 per one thousand (1,000) gallons for all metered water used after ten thousand gallons (10,000). He felt households who use the most water should be paying for it.

Councilor Humbert motioned to adopt Resolution No. 2137, Resolution Amending the Sewer Rates reflecting a fifteen percent (15%) increase effective July 1, 2009. Councilor Lyon seconded the motion which passed unanimously.

RESOLUTION NO. 2138 AMEND SOLID WASTE RATES TO INCLUDE MINIMUM SERVICE REQUIREMENTS

Mr. Bradshaw stated the purpose of the amendment to the solid waste rates was to reflect minimum service requirements upon the required solid waste collection per household or unit. The city requires a minimum weekly solid waste collection service of one ninety (90) gallon container to all customers on sewer and water. To enforce equally amongst all residents there needed to be an amendment to the service definition for single-family properties and multi-family residential properties. The change would primarily affect multi-family housing units specifying the number of units per garbage container. This amendment would help with overflow of waste and reduce the need for the garbage truck driver to have to pick up garbage that had spilled over onto the ground.

Councilor Hopkins-Hubbard asked if extra containers were in place and there was still overflow what would the repercussion be.

Mr. Bradshaw replied that the customer would be billed according to the resolution which had a manual loading overflow fee.

Councilor Anliker motioned to adopt Resolution No. 2138, Resolution Amending Solid Waste Rates to include Minimum Service Requirements effective July 1, 2009. Councilor Hopkins-Hubbard seconded the motion which passed unanimously.

BID AWARD – OVERLAY PAVING PROJECT

Mr. Bradshaw reported the city advertised and accepted sealed bids for the overlay paving project funded by the American Recovery and Reinvestment Act (ARRA) which had been approved to be administered through the Oregon Department of Transportation (ODOT) on a not to exceed basis of \$132,405. Two bids were submitted those being Humbert Asphalt Inc. and Granite Northwest. Staff's recommendation was to award the bid to Humbert Asphalt Inc. of Milton-Freewater, Oregon as they were the apparent low bidder.

Councilor Chesnut motioned to award unit prices as bid on the attached tabulation for the 2009 Overlay Paving Project #2, Contract #226 to Humbert Asphalt, Inc. of Milton-Freewater as they were the apparent low bidder. Councilor Anliker seconded the motion which passed unanimously.

MANAGER'S REPORT

Manager Hall reported that the Federal Emergency Management Agency (FEMA) had agreed to review the maps that were used to declare Milton-Freewater's flood zones. She said the consultant working on the project suggested there could be two different options of performing the review; to re-delineate or re-model. FEMA would also look at the technical data and there would still be areas that would remain inside the floodplain. She also reported that she had received a phone call regarding the Oregon Solutions team and the only item left before the city is officially accepted was a letter to the governor so he has a document to approve. She said she had written the letter and she had also asked Umatilla County and the Water Control District Manager to sign the letter. The letter has been emailed to the governor already but the executed original will be mailed out in the mail as soon as that is complete.

COUNCIL ANNOUNCEMENTS

Councilor Lyon suggested the city be more proactive on weed control rather than reactive. He said the housing unit behind his property was loaded with puncture vine and would like to have them sprayed before they spread. Also on Dahlia Street there was puncture vine there as well.

Manager Hall said the city would do a better job of being more proactive on weed control.

Councilor Chesnut reported on Thursday, June 25, 2009 there was going to be a Umatilla County Planning Commission public hearing regarding the Goal 5 Amendment proposal by Richard Jolly. The first meeting primary purpose was to make a determination as to whether the views were significant. The second meeting scheduled for July 23, 2009 would have a much large venue which would suggest a possibility of determining the significance. As part of the Goal 5 application the applicant had asked the lawyer to write a model ordinance regarding how the protection of the Blue Mountains would be put together. After reviewing the ordinance it was decided that it was entirely too restrictive. The reason for that was because it was written word for word out of Wallowa County on how to protect the views of the Moraine on Wallowa Lake which meant no housing and nothing visible on ridge crests. The goal of the applicant was all customary and traditional agriculture uses would be not be affected including building homes, barns, well house and even a wind turbine for personal power. The other announcement was that Hodaka Days was the weekend of June 27th and 28th and he hoped to be out racing.

Councilor Humbert said he was contacted by Richard Jolly to speak at the Umatilla County Planning Commission meeting on June 25th on behalf of the Milton-Freewater City Council. Councilor Irving had also talked to Manager Hall about speaking at the meeting as well. Councilor Humbert felt the council should come up with what needed to be said and what the council wanted to present at that time. Councilor Irving had already done some research on the subject and volunteered to go the meeting.

Councilor Anliker suggested an email be sent amongst the council to be sure all comments were included and could suggest any changes.

Councilor Chesnut suggested the core of the presentation would include the resolution that was adopted by council regarding the wind turbines. He also said in the EOA report that was adopted earlier in the meeting it referred to amenity values and lists some of those amenities with the views being among those.

Councilor Hopkins-Hubbard motioned to appoint Councilor Irving and Councilor Humbert to represent the council at the Umatilla County Planning Commission meeting regarding the wind turbines. Councilor Chesnut seconded the motion which passed unanimously.

There being no further business, council adjourned to an Urban Renewal Agency meeting at 8:15 p.m.

Lewis S. Key, Mayor