

March 10, 2008

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

The Council of the City of Milton-Freewater met in regular session Monday, March 10, 2008 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, Keith Woods, Debbie Kelley, Steve Irving and Youth Councilor Patsy Sandoval. Councilor Humbert was absent.

Staff members present were: City Manager Linda Hall, City Recorder Leanne Steadman, Police Chief Doug Boedigheimer, Public Works Superintendent Dave Bradshaw, Electric Superintendent Mike Charlo and Fire Chief Shane Garner.

Citizens present were: Christine Boedigheimer, Merle Sherman, Adam Sherman, Chris Wallace, Holly LeFore, Brittney Granger, Cindy Granger and members of the Pioneer Posse.

Press member Melanie Hall of the Valley Herald was present.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of minutes from the February 25, 2008 regular council meeting, Accounts Payable from February 20, 2008 – March 4, 2008. Councilor Kelley motioned to approve the consent calendar items. Councilor Woods seconded the motion which passed unanimously.

PRESENTATIONS:

PIONEER POSSE APPRECIATION FOR FINANCIAL SUPPORT OF COURT

Queen Holly LeFore and Princess Brittney Granger of the Milton-Freewater Pioneer Posse Court expressed their gratitude for the city council's financial support of their court activities.

NEW BUSINESS ITEMS:

RESOLUTION NO. 2075 AUTHORIZING CITY MANAGER'S SIGNATURE TO THE BONNEVILLE POWER ADMINISTRATION STANDSTILL AND INTERIM RELIEF PAYMENT AGREEMENT

Electric Superintendent Mike Charlo presented the Bonneville Power Administration Standstill and Interim Relief Agreement. He explained the agreement was the result of BPA being sued by a few of the larger public utilities in the northwest contending BPA was making too high of payments to the investor owned utilities through the Residential Exchange Program since 2001. In May of 2007, the US 9th Circuit Court of Appeals found that to be true, therefore, BPA stopped making payments to the investor owned utilities which was \$28,000,000 a month. BPA has offered to pay each utility based on the amount that each utility had overpaid during 2007 and 2008 fiscal years. As a result of this Milton-Freewater's proposed payback from BPA is a lump sum payment of \$301,360, which would be received in April of this year. BPA is also conducting a rate case study to determine exactly what each utility overpaid, at which time there would be a true-up payment in the fall of 2008. The amount projected for the fall payment was \$162,000. Mr. Charlo explained there had been a recent transaction by Clatskanie People's Utility District

which resulted in another suit against BPA in regards to the dollar amount being credited to the public utilities. Mr. Charlo explained this would not jeopardize the payback to Milton-Freewater, it would only change the time when payment was received and that it would be a lump sum payment instead of a payment in April 2008 and the fall of 2008. He also said if that were to happen, the one payment received in the fall of 2008 would be with interest. Mr. Charlo's recommendation for the interim payment and any true-up payment received would be to put back into the Electric Capital Replacement Reserve fund which paid for the Milton Substation power transformer. He explained by repaying this fund all at once, the ratepayers would not have to bear the burden of the repayments to that account.

City Manager Linda Hall commended Mr. Charlo on the great job he does with such complicated and complex power contracts and agreements.

Councilor Chesnut motioned to adopt Resolution No. 2075 authorizing signature to the Bonneville Power Administration Standstill and Interim Relief Payment Agreement. Councilor Kelley seconded the motion which passed unanimously.

RESOLUTION NO. 2076 DECLARATION OF SURPLUS PROPERTY

Public Works Superintendent Dave Bradshaw presented a list of city property that had been recommended to be surplus by several departments.

Youth Councilor Sandoval asked if there had been any consideration of donating some of the items to the schools.

Ms. Hall said if items were to be donated they would need to be donated to another governmental agency, and the school district qualified.

Councilor Kelley motioned to adopt Resolution No. 2076 Declaration of Surplus Property listed on Exhibit A to be surplus and authorize the Public Works Department to liquidate as outlined. Councilor Chesnut seconded the motion which passed unanimously.

Ms. Hall said the city would approach the school district and let them look at what the city had listed as surplus to see if there were any items they were interested in obtaining.

RESOLUTION NO. 2077 AUTHORIZING SIGNATURE TO LEASE AGREEMENT WITH SHELLY GONZALES AND ALLEN CASTEEL FOR THE GOLF COURSE CLUBHOUSE RESTAURANT

Ms. Hall said she as well as Mr. Casteel and Ms. Gonzales were very anxious in opening the golf course restaurant which is projected to be April 1st. She said the terms of the lease agreement were very similar to the past agreements for the restaurant. Ms. Hall also said in the best interest of time Mr. Casteel had submitted a liquor license application for full privilege sales for the clubhouse restaurant. Police Chief Doug Boedigheimer had completed a preliminary background check and had recommended approval of the license with councils consent.

Merle Sherman, 716 Pierce – Asked if there was any way the restaurant could be open on March 30th for the first golf tournament.

Ms. Hall said as long as council did not object to the early opening of the restaurant it would be up to Mr. Casteel and Ms. Gonzales whether or not they could make that opening date.

Councilor Kelley motion to adopt Resolution No. 2077 Authorizing City Manager's signature to a lease agreement with Shelly Gonzales and Allen Casteel d.b.a. "Shelly's Last Shot" for the golf course clubhouse restaurant operation. Councilor Irving seconded the motion which passed unanimously.

Councilor Kelley motion to approve the liquor license application for full privilege sales subject to satisfactory completion of O.L.C.C. and City background checks and application process. Councilor Chesnut seconded the motion which passed unanimously.

MANAGER'S REPORT

Ms. Hall said she was very proud of all department heads with their contribution of reducing the proposed preliminary budget by \$77,000. She stated there were no agenda items for the council meeting of March 24th so that meeting may be cancelled. Also, she will be out of town to attend the Oregon City County Manager's Association Conference.

Councilor Kelley asked when the meeting would be scheduled to review the Ethics Commission reporting documents.

Ms. Hall said as soon as the final documents was received, which should be mid March, at that time a meeting would be scheduled. She also said it would probably be short notice of the meeting due to the approaching reporting deadline of April 15th. The members who could not attend the meeting, Ms. Hall said she would meet with one on one to review the documents.

COUNCIL ANNOUNCEMENTS

Councilor Irving stated he felt that the city should no longer maintain a piece of property that the city no longer has ownership of, that being Orchard Park. He felt the city is spending taxpayer's money on private land with no current lease.

A discussion ensued about Orchard Park, the maintenance and liability of the city maintaining it with no lease agreement with the current owner, Dennis Olson.

Council consensus was to direct Ms. Hall in pursuing a long-term, no-cost lease with the current owner to continue maintaining the park.

There being no further business, council adjourned to an Urban Renewal Agency meeting at 7:47 p.m.

Lewis S. Key, Mayor