

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

The Council of the City of Milton-Freewater met Monday, February 22, 2010 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, Steve Irving, and Jeff Anliker. Councilor Brad Humbert was absent.

Staff members present were: City Manager Linda Hall, City Recorder Leanne Steadman, Public Works Superintendent Dave Bradshaw, Electric Superintendent Mike Charlo, Finance Director Dave Richmond and Line Foreman Rick Rambo.

Citizens present were Tara Patten, Steven Patten, Kathy Gayliender and Rob Tremper of Dickey and Tremper LLP.

Press member Melanie Hall of the Valley Herald was also present.

**CONSENT CALENDAR ITEMS:**

The consent calendar items consisted of council minutes from the February 8, 2010 meeting and accounts payable from February 4, 2010 through February 16, 2010.

Councilor Chesnut motioned to approve the consent calendar items. Councilor Hopkins-Hubbard seconded the motion which passed unanimously.

**PRESENTATION:**  
**ANNUAL CITY AUDIT REPORT**

Manager Linda Hall introduced Rob Tremper of Dickey and Tremper, LLC the auditing firm that the city contracts with to perform the yearly audit of accounts and financials. Manager Hall said Mr. Tremper was going to give an overview of the audit performed for fiscal year ended June 30, 2009. She said a lot of cities do not present the audit report in a public venue but believed it was important in the spirit of transparency in government and goes along with the council's goals and philosophy.

Mr. Tremper presented the city's annual audit report for fiscal year ended June 30, 2009. This was the fourth year Dickey and Tremper audited the city. He explained the audit requirements according to the auditing standards. He felt the city was more prepared than in the past by having the requested documents ready for review. The city put a lot of effort and preparation into the audit. He explained there was a new governmental accounting standard that was required to be implemented by the city, Other Postemployment Benefits. He explained what the requirements were. He reviewed and commented on the areas that were required by the audit which included, Significant Audit Findings, Difficulties Encountered in Performing the Audit, corrected and Uncorrected Misstatements, Disagreements with Management, Management Representations, Management Consultations with Other Independent Accountants and Other Audit Findings or Issues. Mr. Tremper felt the city was doing very good overall but did have some suggestions regarding inventory tracking and reporting, limitations on capital assets, receivable recording of funds received in the following budget year, bond rate tracking and grant reviews.

Manager Hall commended Mr. Tremper and said he did a very thorough audit and thanked him for presenting the findings of the audit. She addressed the areas of the auditor's suggestions.

She said the inventory in the warehouse continues to be a challenge and she had recently implemented changes in procedures for how the inventory will be counted and tracked. These changes were going to be very labor intensive but felt it needs to be done. The auditor recommended the capital assets tracking dollar amount be \$25,000 and Manager Hall felt it should be kept at a lower amount even though it was more time consuming to work the depreciation schedules and track the inventory. The bond rating for the certificate of deposit that the city had with Bank of America fell below the AA rating due to the banks financial status. The city did not lose any money but due to the economic downturn the rating did fall. Manager Hall said that was very hard to track and predict and said that would be watched more closely.

Councilor Hopkins-Hubbard asked for clarification on the receivables tracking which was regarding a reimbursement payment from Oregon Department of Transportation (ODOT).

Mr. Tremper said the reimbursement funds must match in the same fiscal year even if the funds were not actually received until the following budget year. The amount owed from ODOT must be recorded even if the money wasn't received.

Councilor Chesnut asked if it was safe to assume that staff had an improved understanding of how to handle these entries to meet the requirements of the audit and regulations.

Finance Director Dave Richmond said there were less entries made each year but at some point there must be a deadline to close out the 13<sup>th</sup> and 14<sup>th</sup> month in order to close out year end. Sometimes those reimbursement funds don't show up for sixty days to six months.

Councilor Chesnut asked if it was reasonable to assume that if the State continues to reimburse the city as late as they have been this could be a problem in the future.

Mr. Richmond said yes it could.

#### **BUSINESS ITEMS:**

#### **MOTION TO ACCEPT AUDITOR'S REPORT AND FINDINGS FOR AUDIT OF THE CITY OF MILTON-FREEWATER FISCAL YEAR 2009 RECORDS**

Manager Hall explained, in keeping with the on-going directive of complete transparency with the City of Milton-Freewater, she had asked the auditing firm, Dickey and Tremper, LLP to present the audit findings at a public meeting. She also recommended that the city council formally accept the auditor's report and findings.

Councilor Chesnut made a motion to accept the auditor's report and findings for fiscal year 2009 for the City of Milton-Freewater. Councilor Anliker seconded the motion which passed unanimously.

#### **AUTHORIZATION FOR BLUE MOUNTAIN BABE RUTH BASEBALL TO PROCEED WITH PURSUING FUNDING TO REHABILITATE THE MCRAE/IRELAND BASEBALL FIELD**

Public Works Superintendent Dave Bradshaw reported that representatives of Babe Ruth Baseball Stan Croghan and Bruce Mason attended the last Recreation Committee Meeting to discuss their vision of the McRae/Ireland Baseball Field. They are seeking approval from the city council to proceed with grant funding to help fund the rehabilitation of the ball field. Mr. Bradshaw said that Mr. Mason and Mr. Croghan were informed that once funding was established they would need to present that before council along with their more detailed plans and design of the field. They were instructed not to start any construction of any kind before it was approved by the city council.

Councilor Chesnut said he appreciated the procedural hoops they must follow and was very supportive of the project.

Manager Hall announced that the MF Area Foundation Board also donated \$1,000 towards the project and the funds would be held with the Eurus grant money that was also received to go towards the project.

Councilor Chesnut motioned to authorize the Blue Mountain Babe Ruth Baseball to proceed with pursuing funding to rehabilitate the McRae/Ireland Baseball Field. Councilor Irving seconded the motion which passed unanimously.

**RESOLUTION NO. 2158, RESOLUTION AMENDING THE NET METERING PROCEDURES TO INCLUDE ADDITIONAL SAFETY FEATURES**

**ORDINANCE NO. 955, ORDINANCE AMENDING THE CITY CODE, ELECTRIC REGULATIONS, SECTION 5-6-28, TO COINCIDE WITH THE NET METERING PROGRAM, INTRODUCTION AND FIRST READING**

Electric Superintendent Mike Charlo reported that a Net Metering Interconnection Standards and Procedures policy was adopted by council October 2008. Being proposed were some added safety features regarding disconnect switches that would completely disconnect the customer's net metering facility from the City's system. It was also discovered that the Net Metering program was in conflict of the existing electric code. The Net Metering guidelines allow a customer to install their own electrical generation facilities and sell any excess electricity above their own requirements back to the city. Staff is recommending changes to the existing code to allow for the Net Metering guidelines but it will still prohibit the customer from re-selling any electrical energy provided by the city.

Councilor Lyon asked if there were any customers generating their own electricity.

Mr. Charlo said he had not been approached by any customer.

Councilor Chesnut asked what the safety precautions would be to know that a customer's net metering facility was completely de-energized if the city was performing work in that location.

Mr. Charlo said there was a net metering contract that the customer must sign in order to be involved in the program. The linecrew would know what customers had net metering facilities and would take extra precautions and install extra lock-out/tag-out devices where they were needed to ensure no electricity would be coming through the lines that were disconnected for repair work.

A brief discussion ensued whether or not there should be a fee associated with the extra duties of a net metering site and how the Oregon Revised Statue read with regard to fees imposed.

Councilor Anliker motioned to adopt Resolution No. 2158, Resolution Amending the Net Metering Interconnection Standards, to Revise Internal Policy and Procedures. Councilor Chesnut seconded the motion with passed unanimously.

Councilor Anliker motioned that Ordinance #955 be introduced by title only and full reading waived. Councilor Chesnut seconded the motion which passed unanimously. The City Manager then read the ordinance by title. The council then introduced the first reading of Ordinance #955, an Ordinance Amending City Code Title Five, Chapter 6 Regarding Electrical Regulations.

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

Rick Rambo, 104 Saager - said he has been appointed Chairman of Milton-Freewater Recreation Committee. He reported the Recreation Committee was working on the priorities of the city's facilities and welcomed any input the city council may have or from any citizen contact with regard to recreation facilities within the city. They will be addressing the service clubs within the next month or two and will provide them with the priority list to get their input and see if they have an interest in taking on any of the projects listed.

## **MANAGER'S REPORT**

Manager Hall reported the Water Control Board (WCB) will be holding their first meeting on Wednesday, February 24<sup>th</sup> at 7:00 p.m. in the Albee Room. She said there was a lengthy agenda and a lot to be discussed during the meeting. Some of the items to be discussed included, how the new board members would be sworn in, what's the current budget, what's the current funds of the district and what tax revenues have or have not be received. Manager Hall will be assisting the WCB until they get up and running and comfortable in their new positions. She felt the board was going to need some staff help in the future and suggested a program she has heard about called Resource Assistance for Rural Environments (RARE). The program is sponsored through the University of Oregon who takes recently graduated students who hold degrees in some type of public venue who would live and work in the community for eleven months for approximately \$19,000. She wondered if the WCB would be interested in pursuing a joint application to apply for one of these students to help them get up and running and to help out with the bond measures that are going to need to be done in the near future. She said the city could also use some help the floodplain/FEMA project. She suggested that council consider it and share their comments with her. Manager Hall reported she would be meeting with Councilor Anliker and Councilor Hopkins-Hubbard to go over the city council budget on Tuesday, February 23<sup>rd</sup>.

## **COUNCIL ANNOUNCEMENTS**

Councilors Hopkins-Hubbard and Anliker asked for any input on the city council budget to be sent to them prior to their meeting with the City Manager.

Councilor Anliker announced a program, "What Difference Does Jesus Make" which begins February 28th and will be held at the Mac-Hi auditorium on Sunday evenings at 6:30 p.m. for four weeks. The testimonials that will be given are from local citizens from many different churches in the area.

Councilor Chesnut reported some graffiti on the Little League Buildings at the Little League Field and also on the sidewalk on the east side of N. Main at about 14<sup>th</sup> Street.

There being no further business the meeting was adjourned to an Urban Renewal Agency meeting at 8:00 p.m.

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Lewis S. Key, Mayor