

CITY OF MERRILL
REGULAR BUSINESS MEETING
Tuesday, January 13, 2015
6:00 P.M.

MEETING CALLED TO ORDER:

The meeting was called to order at 6:00 p.m. by Mayor Tim Saunders. The flag salute immediately followed.

Following the flag salute was the swearing in ceremony of Councilor Lesh by Mayor Tim Saunders. Councilor Taylor was sworn in by Mayor Tim Saunders earlier in the day in the Recorder's office due to inability to attend the Council meeting.

ROLL CALL:

Roll Call was taken with the following members of Council being present:

Mayor Tim Saunders, Councilor Smith, Councilor Lesh, Councilor Carleton and City Recorder - Oma Rowley.

Absent: Councilor Taylor

NEW BUSINESS:

1. Minutes Approval for December 9, 2014

A motion was made by Councilor Smith to accept the December 9, 2014 minutes. There was a 2nd by Councilor Carleton. All members present voted Aye and the Motion carried.

2. Appointments of Council

The following are the 2015 Council Appointments which remain unchanged from 2014:

Council President:	Melody Smith
Recorder's Office/Business:	Melody Smith
Police:	Cindy Lesh
Streets:	Cindy Taylor
Planning:	Tim Saunders
Water/Sewer:	Richmond "Dick" Carleton

3. Oster letters and Financial Statement for 2012/2013 Audit for approval

The City Recorder asked if Council had any questions after their review of the Oster letters and financial statements for FY 2012/2013 that were distributed during the December Council meeting. The City Recorder introduced Resolution # 2014-716 on the agenda this month and explained that the Resolution identifies corrective measures to audit deficiencies identified by Oster in the FY 2012/2013 audit letters and financial statements. This Resolution should help to clarify for Council areas of concern and corrective measures. No discussion followed. Councilor Smith made a motion to approve the Oster FY 2012/2013 financial statements and accompanying letters. There was a 2nd by Councilor Lesh. All members present voted Aye and the Motion carried.

4. Business Rental License/renewals:

2015 – Business Rental License as per report:

A motion was made by Councilor Carleton and a 2nd by Councilor Lesh to approve the Business licenses. Business “types” were noted to be incorrect on several line items on the spreadsheet. The City Recorder said that the corrections would be made and that the revised list would be provided for the February 10th meeting.

5. Ratify Phone polls:

- **Accounts Payable 12/22/14** (corrected from 12/2/14 as listed on agenda). Councilor Carleton made a motion to approve both the Accounts Payable for 12/22/14. There was a 2nd by Councilor Smith. All members voted Aye and the Motion carried.

RESOLUTIONS:

- **#2014-716 Corrective Measure to Audit Deficiencies disclosed in FY 12/13 Financial Statements and Letters**

Resolution #2014-716 was read in title, Section 1 and 2, open for discussion (no discussion), re-read title.

Councilor Carleton made a motion to approve Resolution 2014-716 adopting corrective measures to audit deficiencies disclosed by Oster Professional Group in the Financial Statements for FY 12/13. There was a 2nd by Councilor Smith. All members present voted Aye and the Motion carried

- **#2014-717 Transfer \$14,079.94 General Fund to Water/Sewer Fund for Payroll Taxes for the Police Department for the period July 1, 2014 - December 31, 2014**
Resolution #2014-717 was read in title, Section 1 and open for discussion (see discussion below), re-read title.

The City Recorder explained that Payroll Taxes are paid monthly out of the Umpqua Water/Sewer checking account by automatic withdrawal by the IRS and by State of Oregon regardless of budgeted FUND expenditure. This is due to banking constraints limiting one account for this type of withdrawal. The IRS has notified the City that our annual payroll tax liability exceeds \$50K. As a result, beginning in 2015, the tax payment frequency has changed and the City is now required to pay the tax liability within 3 business days following each payroll. With each payroll tax automatic withdrawal in payment, based on payroll tax liability reports, a fund transfer and Journal Entries from the General Fund checking to the Water/Sewer fund checking will be required for Police staff payroll taxes.

Councilor Smith stated that we need to have an established process for General Fund Payroll tax reimbursement to the Water/Sewer Fund. The City Recorder agreed and is working on the procedure.

OLD BUSINESS:

- **Hunter Communication Franchise – Awaiting Revised Lease Agreement**

The Council agreed to postpone the agreement approval until a response has been provided by Hunter Communication as per notated comments by City Attorney. The Hunter Communication Franchise agreement will be readdressed at the February council meeting.

- **Finalize Polar Bear Lease Agreement – See packet mailed from City Attorney, Mel Ferguson to Council and City Recorder**

A motion was made by Councilor Carleton to accept/approve the version of the Polar Bear 5-year lease agreement revised by Mel Ferguson to include boundary/map Details and further revised to correct the spelling to Ernest. There was a 2nd by Councilor Lesh. All members present voted Aye and the Motion carried. The City Recorder will obtain the final agreement in a WORD document from Mel Ferguson and obtain final signatures. A copy of the final signed agreement will be provided to Mel Ferguson for his files.

- **Oster audit scheduled for May 2015 and anticipated cost savings in office supplies and safety/security line items**

Acceptance of the audit quote was contingent upon the budget absorbing the increased \$3500 above what was budgeted for FY 14/15 audit expenses. It is anticipated there will be cost savings in office supplies and safety/security line items that could absorb the added audit expense.

The FY 13/14 audit is pushed to May 2015 after tax season.

RECORDER'S REPORT:

The Recorder's report was presented by the City Recorder.

Accounts Receivable

Accounts Payables

Bank Balances

ACH detail/POS detail

Payroll

The Recorder's report was approved with a Motion by Councilor Carelton and a 2nd by Councilor Smith. All members present voted Aye and the Motion carried.

PUBLIC WORKS:

Public Works Director presented his report (see details attached).

Councilor Carleton stated that he would like to incorporate into the FY15/16 budget a donation to cover expenses for the annual Christmas program.

POLICE: Report given by Marshal Bicknell.

Marshal Bicknell read a Letter of Commendation for Officer Keith Allan Srch for the recent School incident. The Letter of Commendation shall be filed in Officer Srch's personnel file and a copy attached to these minutes.

CODE ENFORCEMENT:

Marshal Bicknell reviewed the updated Code Enforcement spreadsheet distributed 1/8/2015.

- **James Jeffs**, 131 West Court Drive, addressed Council and asked to consider allowing the parked trailer on wheels (dry van) to remain on his property. Mr. Jeffs explained that he is using the "semi-box van on wheels" as a hobby shop. It has been in the same location 10-11 years. Mr. James stated it could be moved back ~ 22' from the road but cannot move further in from the neighbor's property line. Councilor Carleton replied that the Council will need to follow ordinances to be fair with everybody and that research of the ordinances for ancillary buildings. Councilor Carleton stated that there have been complaints against this dry van. It was also noted that there is a non-compliant trailer on a neighbor's property. This request has been postponed until the February 10, 2015 Council meeting to allow time for the Planning Department to review the charter/ordinances zoned Residential and to make a recommendation to Council.
- **Rayas**, 425 Front Street, is now occupying the RV on a regular basis. There is a concern for black/gray water discharge. The Health Department has been contacted and licensing and standards will have to be met. Marshal Bicknell asked for Council approval to issue a \$1000 citation. A motion was made by Councilor Carleton to approve to cite \$1000. There was a 2nd by Councilor Smith. All members present voted Aye and the Motion carried.
- Garbage removal at 122 Washington has been resolved.
- **Whitley dangerous building**, 406 Front Street, has a sale pending by Stan and Kathy Hinton. The property deal is projected to close on January 23, 2015. Marshal Bicknell communicated to KC Court to give to January 23, 2015 and if the deal closes, the City of Merrill will forgive the \$1000 citation.
- **Shelly Matson – 134 Second Street and Mary White – 304 Second Street** both dangerous buildings have both exceeded their 90 day proposal date for compliance. Marshal Bicknell has asked for formal letters to be sent to both property owners requiring attendance at the February 10, 2015 Council meeting to discuss their intentions with the governing body. If they are not present at the February 10, 2015 meeting, Marshal Bicknell is asking Council for approval to issue a \$1000 citation for each property. Councilor Smith made a motion to have formal letters sent requesting their attendance at the February Council meeting and to assess \$1000 citation if they do not attend. There was a 2nd by Councilor Carleton. All members present voted Aye and the Motion carried.
- **NEW: Merrill Feed & Grain ownership** – who owns the building and what is the right of way? This property is quickly becoming an attractive nuisance.

PLANNING

- **Broyles lot line adjustment**
Planning Commissioners to review and make recommendation to Council.

Merrill Public Works January 2015

- Checked lifts
- Read meters
- Took samples
- Filled out DMR
- Well level is 69'
- Hung pink tags
- 1 sewer plug
- Numerous locates
- Cleaned bathrooms
- Cleaned shop and shop gutters
- Finished the Malin Potato Co-Op project. Installed fire hydrant and 200' of 4" waterline, 4" water meter and box, 4- 4" valves. Flushed line and took backflow valve to them for installation.
- Installed lights on Christmas Trees at Civic Center. Thanks Matt Hughes.
- Took down Christmas decorations on Front St. Thanks PPL.
- Built sewage level gauge for lagoon and installed.
- Got emblems installed on pickups. Thanks Bonnie.
- Wrote 2014 Waste Water Management Plan and sent to DEQ.
- Talked to Rafael Hernandez (County Tax Collector). He said they were doing the paper work to get the county shop quitclaimed to us. Meanwhile they gave us the keys and we moved a lot of our equipment out there. When we get the roof repaired we will turn on the electricity. We bought a space heater with a thermostat.
- Bridge is almost complete. They will install a hand rail and pave this summer.
- Christmas program went very well. Probably over 250 people. Thanks City of Merrill for buying refreshments. Thanks to Police Dept. and the City for donation for sound system.