

**CITY OF MERRILL**  
**EXECUTIVE BUSINESS MEETING**  
Tuesday November 13, 2018 5:30 P.M.  
**REGULAR BUSINESS MEETING MINUTES**  
Tuesday November 13, 2018 6:00 P.M.  
Merrill City Hall 301 E. Second Street Merrill, OR 97633

**MEETING CALLED TO ORDER:**

The meeting was called to order at 5:37 p.m. by Mayor Carlson.

**EXECUTIVE SESSION:**

- Approve October 9, 2018 Executive Meeting Minutes
- Water/Sewer Code Interpretation
- Police Procedure and Scheduling

**ADJOURN EXECUTIVE SESSION:**

Motion was made and 2<sup>nd</sup> to adjourn at 6:01 p.m.

**CONVENE REGULAR SESSION:**

The meeting was called to order at 6:03 p.m. by Mayor Carlson.

**ROLL CALL:**

Roll call was taken with the following members of Council and others being present: Councilor Lesh, Councilor Smith, Councilor Carleton, Councilor Taylor (absent), Mayor Carlson, and City Recorder Hernandez.

**Flag Salute:**

The **Flag Salute** immediately followed with Mayor Carlson asking Councilor Carleton to lead it.

**MAYOR STATEMENT:**

Mayor Carlson asked that everyone please turn cell phones on silence. All meetings are recorded and when addressing the council, please speak clearly and state your name.

**PUBLIC COMMENT:**

Mayor Carlson stated the public is invited to provide their comments and opinions to the City Council at this time on issues of concern. Non-emergency issues brought up in this form will not be considered tonight other than in this preliminary discussion, but if found warranted, may be considered at a future meeting of the city council. Public comment is limited to five minutes per person.

No public comments followed.

**CONSENT AGENDA:**

- **Meeting Minutes:**
  1. Councilor Smith made a motion to approve Council Meeting Minutes for October 9, 2018. Councilor Lesh 2<sup>nd</sup> the motion. The motion passed 3-0 in favor.
- **Phone Poll Ratifications:**
- **Business License/Building Permit:**
  2. Councilor Smith made a motion to approve the Picke Property Investments dba Wild Goose Lodge Motel building permit. Councilor Carleton 2<sup>nd</sup> the motion. The motion passed 3-0 in favor.  
\*Discussion followed about the building permit process due to the structure built first then permitted. The permit should be a Land Use Compatibility Study.
- **Accounts Payable:**

3. Councilor Smith made a motion to approve the October Accounts Payables. Councilor Carleton 2<sup>nd</sup> the motion. The motion passed 3-0 in favor.
4. Councilor Carleton made a motion to approve the October Water Sewer Transfer. Councilor Smith 2<sup>nd</sup> the motion. The motion passes 3-0 in favor.

#### **STAFF REPORTS:**

- **Police:**
  - Marshal Bicknell absent.
- **Public Works:**
  - Public Works Director Matthews reported on multiple tasks performed and well level and distributed to City Council. Public Works Director Matthews highlighted the success of the Potato Festival and thanked the contributors of the festival. December 8, 2018 at 6:00 p.m. the Christmas Program will be held at the Civic Center. Public Works Director Matthews sought permission to purchase beverages and condiments. City Council approved.
  - Bob's Excavating had the lowest bid of two at \$281,727.00 for the Well House and Pump pertaining to the Water Improvement Project. Anderson Engineering has been working with the contractor to lower costs due to budget constraints. The revisions are as follows: construct a wood frame building versus block, reduce building size to 12X20, re-specify chlorinator, and reuse generator transfer switch. The revisions are estimated to reduce costs by \$30,000.00-\$35,000.00. A recommendation for award will be prepared once the revised costs are finalized. The remainder of the Water Improvement Project is scheduled to be advertised for bids at the end of the year. The City of Merrill should be able to transfer to the new well in approximately six weeks. Mayor Carlson inquired to the sulfur smell once the City of Merrill gains access to the new well. Public Works Director Matthews stated the smell should be eliminated due to the City drawing off of the aquifer previously used before decommission. Mayor Carlson commented on scaling back distribution due to budget concerns. Public Works Director Matthews stated pipe size and distribution are the only two areas negotiable.
- **City Recorder:**
  - City Recorder Hernandez distributed the flyer for the Elected Essentials Workshop by League of Oregon Cities. City Recorder Hernandez, City Clerk Jensen, and Marshal Bicknell are enrolled for the training on December 13, 2018.
  - City Recorder Hernandez presented the Romig and Associates contract to be signed by City Council to officially begin the audit.
  - The Asyst Cash Control has been purchased but not installed.
  - The Workman's Comp Audit has been completed.
- **Lawyer:**
  - ET Capital Easement: City Attorney Schade notified ET Capital of the decision not to grant an easement. ET Capital responded the company would work with the successor and interests to communicate the decision.
- **Code Enforcement:**
  - Code Enforcement Shilling absent.
- **Planning:**
  - Mayor Carlson reported on the Conceptual West Merrill Highway Plan which could allow for a 24 unit hotel, 15,000 square feet of commercial retail or commercial industrial, and three pads for possible restaurant(s), convenience store(s), or gas station(s). Access should be attainable after two meetings with Oregon Department of Transportation (ODOT). Active action item is to reduce the speed limit from the Solar Plant into the City of Merrill. An F-15 Eagle may be incorporated into the plan donated by the Air Force.

#### **PROJECT MERRILL:**

- Rodney Green presented Diane McKoen, Martin Hicks, Linda Woodley, and presenter Amy Frey whom replaced Katie Jameson as a Community Builder. Amy Frey reintroduced self and listed the communities represented (Merrill, Malin, Dorris, Tulelake, and Bonanza) as a Community Builder to help support revitalization and beautification efforts throughout the entire Basin as a neutral party. The presentation included

information on Project Merrill, the intent of Project Merrill, and plan of action to execute beautification and revitalization projects for the community and its members. Project Merrill has incorporated as a non-profit and submitted Bylaws and Process and Procedures to City Council for review. Project Merrill was established in 2015 and re-established October 23, 2018. The organization is open to residents, business owners, and individuals invested in the community. Meetings are at 9:30 a.m. every 2<sup>nd</sup> Tuesday of the month. Partnerships include the Ford Family Foundation, Rural Community Connects, Discover and Travel Southern Oregon, and United States Fish and Wildlife among others. Projects started, completed, and/or continuing are The Good Duck Park, The Potato Festival Clean-up with Lost River, and Seasonal Baskets. Project Merrill has demonstrated highly effective money management for organizational outcomes through partnerships, in-kind donations, grants, and personal solicitations. Since conception, Project Merrill has converted \$24,700.00 in grant money and leveraged it to \$51,800.00 of working capital. The desire is to restore the community to a state of economic growth and vitality that honors the historical and cultural values of Merrill. Safety on Front Street (slow down traffic and improve pedestrian crossing), tourism (increase community pride and appearance), and visage improvements are goals of the organization. The direction of Project Merrill is only possible with a strong collaboration with the City of Merrill. The three phases are: Welcome to Merrill, Visage Improvement, and Front Street Improvements (Highway 39). Visuals and details followed via PowerPoint. Project Merrill requested the available interest funds from Merrill Solar Funds from Oregon Community Foundation per Ordinance 2018-213.

- Councilor Smith stated October 9, 2018 City Council Meeting determined the funds were to support Project Merrill.
- Councilor Carleton stated in February 2019 \$11,000.00 will be available toward beautification and revitalization efforts.
- Councilor Smith stated Project Merrill's process is to request an amount and project each time.
- Mayor Carlson stated Project Merrill is named in the Ordinance and solely named but the Ordinance is not exclusively for Project Merrill. Mayor Carlson would like the funds to impact improvements and not fund consultants.
- Linda Woodley stated there is an opportunity to apply for a Technical Assistance Grant from the Ford Family Foundation to help with a consultant.
- Councilor Carleton inquired as to whether the grant was matching funds.
- Linda Woodley replied with a negative.
- Diane Mckoen stated the consultant would not affect funds.

#### **LOST RIVER ARTS AND CRAFTS CULTURAL ALLIANCE:**

- Public Works Director Greg Matthews Lost River Bluegrass Funds Proposal: Public Works Director Matthews introduced self representing Lost River Arts and Crafts Cultural Alliance. On a side note, Public Works Director acknowledge how instrumental the City of Merrill was in the completion of The Good Duck Park and various projects. The purpose is to request funds for the Lost River Bluegrass Festival. The festival was an enormous success for the 2018 year and benefitted businesses and the City. Fish and Wildlife and Lava Bed personnel were in attendance. Badger Run is expected to attend for the 2019 Festival. The Lost River Bluegrass Festival is a method to increase tourism. County Cork Collectibles will not host the Farm Festival for 2019 and will transition into The Bluegrass Festival resulting in increased revenue. Lost River Arts and Crafts Cultural Alliance is a 501 c 3 with Bylaws and Board of Directors capable of promoting and possibly sponsoring future projects under the organizations umbrella.
  - Mayor Carlson inquired as to whether matching 2018 funding would be adequate.
  - Public Works Director Matthews stated the funds would be appreciated.
  - Councilor Carleton was in agreement with the stipulation excess funds would be returned for other projects.
  - Public Works Director Matthews agreed expanding upon one-time expenses and future funding.
  - Mayor Carlson restated request of \$3000.00 grant \$3000.00 repayable that would become aggregate and aggregate \$6000.00 returned to the City upon success.

Discussion followed describing various bands attending the 2019 Festival.

Councilor Carlton made a motion to grant \$3000.00 and \$3000.00 repayable funds \$6000.00 total for The Lost River Bluegrass Festival. Councilor Lesh 2<sup>nd</sup> the motion. The motion passed 3-0 in favor.

#### **NEW BUSINESS:**

- Congratulations to New City Councilors: Mayor Carlson congratulated the newly elected City Councilors Joanne Johnson and Nathan Hughes.
- Introduced Cemetery Improvement Project: Grants are available for highway improvements. There are numerous options for improving the cemetery which is in disarray. Councilor Smith inquired to contact with the Cemetery Board. Mayor Carlson stated there is a Cemetery Board which receives funds. Public Works Director Matthews described the condition of the cemetery listing badger holes, the irrigation system, ground squirrels, the straightening of head stones, and other necessities. Mayor Carlson stated the action plan of presenting the City Council with a preliminary plan and approaching the Cemetery Board as a partner.
- Approve Immunization Schedule: Tabled.

#### **OLD BUSINESS:**

- Discussion on Maintenance and Financial Audit of Internet Providers: The City of Merrill was requested to enforce one internet provider due to discrepancies and abnormalities. The City audited all internet providers and discovered irregularities with franchise fees. The City of Merrill foresees future compliance with all franchisees.
- Discussion of Oregon Community Foundation Funds: The investment returns have been higher than expected. \$20,000.00 plus, above the \$125,000.00, is in the account but is not flexible. The policy is 5% per year of the principal resulting in \$5,500.00 now available and an additional \$5,500.00 in February. The Oregon Community Foundation spendable funds are estimated to be \$11,000.00 in February.
- Budget Monitoring Tool Development/Compilation of Revenue and Expenditures from Past Audits (FY 7/08-FY 16/17): As part of the Water Improvement Project, the State of Oregon audited the City of Merrill finances. The State reported the General Fund decreasing by \$50,000.00 per year. When all funds are compiled as a whole, the funds remain balanced. The City is neither making nor losing money. There is \$21,000.00 from the Solar Project (Payment in Lieu of Taxes) giving the City of Merrill flexibility. Mayor Carlson stated the need to see available funds on a month to month basis. City Recorder stated the bank statement information is current and will incorporate into City Council Packets. General Fund budgeting expenditures followed.
- Discussion and Results of Klamath County Public Hearing Regarding Merrill Cable Plant Status: The City of Merrill was well represented at the County Commissioners. Ownership was transferred to the City of Merrill. The City has a liability for the Cable Plants. The City of Merrill intends to transfer to the City of Merrill Cable Plant Service Provider. The City of Merrill previously appointed a custodian. Resolution 2018-744: Critical Municipal Assets proposed to sell the Cable Plant for \$1 as long as services are performed for 20 years per proposal. In the case of negligence, bankruptcy, or forfeiture, ownership would transfer back to The City of Merrill. The service provider would be responsible for insurance.
- Status of Merrill Commercial Permitting: There is a rough site plan in process while working in conjunction with Oregon Department of Transportation. Mayor Carlson's intension is to represent the City Council and submit the site plan to The City of Merrill Planning Commission to seek approval for site compatibility as a method to improve land value resulting in increased utility rebates to the residents of Merrill. No objections.

#### **ORDINANCES:**

- 2018-10-01: Water Rate Equalization (Second Reading): First reading of the Water Rate Equalization Ordinance resulted in objections from the business community. A meeting with Public Works Director Matthews, Councilor Carleton, Mayor Carlson, and invited business owners attended a meeting to express concerns. The definition of temporary verses permanent housing of two weeks average stay to 30 days average stay was changed. Merrill Mobile Manner and Dave Goodfellow were represented. Councilor Smith inquired to the owner's feedback on the change. Mayor Carlson generalized the consensus as not wanting to speak for the owner's themselves. Noted was the owner of Merrill Mobile Manner was seated in auditorium as welcome to correct errors if spoken. General consensus was a rate increase for the owner's residents and residents understand the fair standards. The effective date for the ordinance is proposed for January 1, 2019. Councilor Carleton made a motion to approve Ordinance 2018-10-01: Water Rate Equalization. Councilor Smith 2<sup>nd</sup> the motion. The motion passed 3-0 in favor.
- 2018-771: Offenses Against Property: Tabled.

**RESOLUTIONS:**

- Resolution 2018-772: Lost River Bluegrass Festival Proposal Transfer per Budgetary Law: The PILT (Payment in lieu of taxes) was transferred from General Fund to General Equipment Fund per 18-19 FY Budget. To transfer \$6000.00 from General Equipment Fund to General Fund and increasing the event sponsorship from \$1000.00 to \$7000.00, the fund only increases by 1.89%. A Supplementary Budget is only necessary with changes 10% over or 10% under fund. Councilor Smith made a motion to approve Resolution 2018-772: Lost River Bluegrass Festival Proposal Transfer per Budgetary Law. Councilor Carleton 2<sup>nd</sup> the motion. The motion passed 3-0 in favor.
- Resolution 2018-773: Transfer Funds to Comply with Budgetary Law Requirements: Water and sewer funds were erroneously deposited into the Water Refundable Deposit Account. Resolution 2018-773 allows the transfer of \$15,526.00 to Water Sewer Checking to correct the error. Councilor Carleton made a motion to approve Resolution 2018-773: Transfer Funds to Comply with Budgetary Law Requirements. Councilor Smith 2<sup>nd</sup> the motion. The motion passed 3-0 in favor.
- Resolution 2018-774: Critical Municipal Assets: Resolution was moved ahead after discussion and results of Klamath County Public Hearing regarding Merrill Cable Plant Status. Councilor Smith made a motion to approve Resolution 2018-774. Councilor Carleton 2<sup>nd</sup> the motion. The motion passed 3-0 in favor.

**FUTURE AGENDAS:**

**PUBLIC COMMENT:**

The public is invited to provide their comment and opinion to the City Council at this time on issues of their concern. Non-emergency issues brought up in this forum will not be considered tonight other than in this preliminary discussion, but if found to be warranted, may be considered at a future meeting of the City Council. Public comment is limited to 5 minutes per person.

- Lee Schlager (Owner of Merrill Mobile Manner): "Lee Schlager of Merrill Mobile Manner. I need some clarification on the percentage that we're paying on the extra meters. You are going to give us the same percentage of extra water because we are paying for that meter. Is that correct?"
- Public Works Director Matthews clarified the question mentioning the 30% extra usage and stating each unit would qualify for the 30% usage.
- Councilor Carleton stated water usage would not be deleted.
- Lee Schlager: "If you go over your quota. The one meter quota. Okay. I am paying 30% for every meter on it. So do I get an additional 30% of water for each meter that I pay for or do I just get the 1500 cubic feet?"
- Public Works Director Matthews stated Merrill Mobile Manner is now paying 30% for each unit. If 30% of the 1500 cubic feet per unit?
- Lee Schlager: "Yes."
- All were in agreement.
- Lee Schlager: "Secondly, it looks very likely that I'll end up with that second meter being under the motel rule. Is Greg through that or...I've got 12 units on there and the majority of them are under 30 days."
- Public Works Director Matthews stated he would decide the issue and described the two meters Merrill Mobile Manner uses. The second meter serves 12 units where more than 6 units serve temporary residents. One meter would be affected by the new ordinance which serves 18 sites. The outlay of Merrill Mobile Manner was discussed detailing permanent verses temporary units and the next necessary steps for the owner and City.

**ADJOURN MEETING:**

- Councilor Carleton made a motion to adjourn the November 13, 2018 Meeting. Councilor Smith 2<sup>nd</sup> the motion. With all in favor, the meeting adjourned at 7:13 p.m.

Respectfully Submitted,

Bill Carlson - Mayor

130ec18

Date

Rayna Hernandez 12-13-18  
Rayna Hernandez - City Recorder Date