
CITY OF MILTON-FREEWATER GOVERNING BODY

Destiny Jensen At Large, Position 1
Steve Irving - Council President At Large, Position 2
Wes Koklich At Large, Position 3

Mike Odman
John Lyon
Emily Holden
Jose Garcia

Mayor
Ward 1
Ward 2
Ward 3

CITY OF MILTON-FREEWATER**June 9, 2025****CITY COUNCIL MINUTES**

The Council of the City of Milton-Freewater met in regular session on Monday, June 9, 2025 in the Albee Room of the City Library, 8 SW 8th Avenue at 7:00 p.m.

The following members were present: Mayor Mike Odman, Councilors Emily Holden, Steve Irving, Jose Garcia, Destiny Jensen, Wes Koklich and John Lyon.

Youth Representatives Norma Rodriguez and Zachary Lamb were absent.

Staff members present were: City Manager Chad Morris, City Recorder Leanne Steadman, Police Chief Joe Shurtz, Public Works Superintendent Brian Steadman, Finance Director Laurie Bubar, Fire Chief Shane Garner, Library Director Lili Schmidt, Electric Superintendent Richard Jolly, Engineering Technician Tina Kain, Public Works Supervisor Nathan Lyon, Conservation Specialist Ryan Westman and Public Works Project Aid Krista Gannon.

Guests and citizens present were: David Prock, Sheila Campbell, Larry Anderson, Meghan Abell, Shane Abell, Grasiela Ramos, Glovicel Rojas, Doug Boedigheimer, Brian Johnson, Mike Charlo, Kate York, Buddy Rupe, Sally Babcock, Suni Danforth, Donna Sheridan, Tim Sanchez, Robin Sanchez, Danny Goff, Tucker Stringham, Lore Azahares, Leslie Rogers, Lorendo Curry, Markie McRae, Carolyn Hahn, Kelly Hahn, Paul Seaquist, Tammy Seaquist, Steve Timmons, Cindy Timmons, Michael Melder, Megan Hoel, Sandy Snook, Jana Perrin, John Brawn, Shelbi Brown, Armando Perez, Donna Styer, Dennis Styer, Kate Winters, Brenda Avila, Richard Alvarado, Mary Gutierrez, James Trump, Emily Martin, Terrie Good, Sheila Hagar and Densi Leidenfrost.

Representing the news media was: Sherrie Widmer of the Valley Herald.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of:

- Regular Session Minutes from May 12, 2025
- Executive Session Minutes from May 12, 2025
- Work Session Minutes from May 27, 2025

Councilor Irving motioned to approve all items on the Consent Calendar. Councilor Lyon seconded the motion which passed unanimously.

PRESENTATION ITEM:

Chief Joe Shurtz introduced Candis Bailey who was selected by her school to participate in the “Chief for a Day” program. Some of the upcoming events for the program are a swearing in ceremony, attendance at a Walla Walla Sweets baseball game, National Night Out and a parade. Chief Shurtz presented her with a police badge at the meeting.

BUSINESS ITEMS:

PUBLIC HEARING/FINDINGS OF FACTS AND CONCLUSIONS OF LAW AND ORDINANCE NO. 998

Mayor Odman opened and summarized the rules for a public hearing held for the purpose of a Zoning Map Amendment request from JM Land Development LLC to rezone the property located on Umatilla County Map 6N3535DC Tax Lot 3301 from Residential Low Density, R-1, to Residential High Density, R-3. He then explained that the testimony given in this hearing should be centered around the criteria for the amendment of the Zoning Map. He also explained failure to raise an issue with sufficient directness to afford the decision maker and the parties an opportunity to respond to the issue will prohibit an appeal to Land Use Board of Appeals on that issue.

Mayor Odman asked if any member of the Council wished to abstain or disclose ex parte contact.

He then announced that he was present at the Planning Commission Public Hearing on June 2, 2025 as a participant.

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 there were three written comments on file. In each letter they requested that their concerns be entered into the record for both the Planning Commission hearing which was on June 2nd and the City Council hearing. The first letter received was from residences located at 1118 N Main Street, their concerns in summary were; increased traffic and congestion, neighborhood character, infrastructure strain and property value impact. They requested additional information which Planning Assistant Kassidy Ruiz provided them the staff report and zoning map. The second letter received was from residences located at 1122 N Main, their concerns in summary were; increased traffic congestion, strain on public services, loss of neighborhood character, potential decline in property value, social tension, noise and pollution, and higher incidence of property crime. They requested additional information which Planning Assistant Kassidy Ruiz provided them the staff report and zoning map. The third letter received was from residences located at 1119 N Main, their concerns in summary were; increased traffic and safety issues, impact on neighborhood character, strain on utilities and public service, environmental considerations and property values. No additional information was requested. All three letters were included in the city council packet material for this meeting.

Mayor Odman then asked City Manager Chad Morris to present the staff report.

At which time Manager Morris presented the staff report from Planning Assistant Kassidy Ruiz which is incorporated below.

MILTON-FREEWATER PLANNING COMMISSION
STAFF REPORT TO CITY COUNCIL
June 2, 2025

APPLICANT: JM Land Development LLC

ISSUE: Zoning Map amendment from Residential Low-Density (R-1)
to Residential High-Density (R-3) on approximately 3.32 acres

of property located on Map 6N3535DC Tax Lot 03301. No situs address has been issued for the parcel.

HEARING DATE: June 9, 2025

I. BACKGROUND

The subject site has no current structures built on it and has been used for agricultural purposes in the past. The property was partitioned earlier this year by Benchstone Estates (1131 N Main Street) and sold to JM Land Development LLC with the intentions of subdividing the property for additional housing units. The site fronts on N Main Street and is approximately 3.32 acres in size. The applicant intends to change the Zoning of the property to accommodate smaller residential lots.

The land is suitable and available for residential uses, but has not been developed for this purpose. According to the City of Milton-Freewater's Comprehensive Plan - Goal 10: Housing, Milton-Freewater provides a full range of housing types in a variety of price ranges and rent levels. JM Land Development LLC is proposing their future development to bring in medium - income housing for the city. By focusing on medium-income housing, this proposal will meet Goal 10 and decrease the gross vacant acreage of R-3 land within Milton-Freewater.

The applicant is intending to rezone the property to maximize the density of the parcel, while still being able to build single family residences or allow duplex rental units on four lots. With the intention of smaller lots, more housing units can fit on the parcel, distributing the land cost across more lots, reducing the price per unit. Smaller lots will encourage the construction of smaller homes, which are less costly to build and buy/maintain. Making them more accessible to perspective buyers.

II. SITE DESCRIPTION

The subject property consists of approximately 3.32 acres and is bordered by Residential Low-Density (R-1) properties to the north and west, Residential Medium-Density (R-2) to the east, and a mixture of Residential Medium-Density (R-2) and Residential – High Density (R-3) to the south. The property is surrounded by single family homes, except the parcel directly to the west, which is used for agriculture purposes, but is zoned Residential Low-Density (R-1). The property itself does conform with the City's Comprehensive Plan.

III. APPLICABLE CODE PROVISIONS

Chapter 12: Amendments

10-12-1: An amendment to the text of this Ordinance or to the Zoning Map may be initiated by the City Council, Planning Commission, or by application of a citizen.

Findings: The amendments were initiated by the applicant, who is a developing group.

10-12-2: Amendments to the text of this Ordinance or to the Zoning Map shall be processed under terms of the Level IV procedure in Section 10-3-10.

Findings: The amendments were processed as a Level IV procedure in accordance with this chapter.

10-12-3: In the Planning Commission report to the City Council, and in the City Council's action after review of the Planning Commission's report, the following standards shall be addressed:

(A) The proposal is in conformance with all applicable provisions of the Comprehensive Plan text and map of land use designations.

Findings: The proposal conforms with applicable provisions of the Comprehensive Plan.

(B) The proposal addresses a need which was improperly or inadequately addressed by the present ordinance text or map.

Findings: By amending the property zone to a higher density, the City Zoning Code will allow residential lots to be 5,000 square feet rather than 10,000 square feet. With the required size of lots being smaller, the applicant can construct more housing units within the parcel. This would provide more housing options for the city, thus supporting the goal of developing additional housing within Milton-Freewater.

The site is surrounded by single family residential lots, which makes the site more desirable for additional housing.

10-12-4: The City Recorder shall maintain records of text and map amendments.

Findings: As part of City procedure, the appropriate records will be maintained.

IV. GENERAL COMMENT

The Residential High-Density (R-3) designation is an appropriate designation for this

property based on the applicant's development intentions for subdividing the property for additional housing units.

V. STAFF RECOMMENDATION

The Planning Commission and staff recommends approval of the amendment to City Council.

Mayor Odman then invited the applicant to speak.

Michael Melder resident of 1365 Beet Road, Walla Walla stated he is the property owner and applicant of the subject property. He thanked the City Manager for the staff report and stated he just wanted to reiterate the city manager's report and staff report and everything that was said he agrees to. His intent is to develop the property into single-family residences as the City Manager noted. The initial geometry he looked at would allow for up to 4 duplex lots and they're larger 7500 square foot parcels as opposed to the 5000 as allowed in R-3. He stated he was not committing to building those, but per code they would be that size, basically it's economics. If someone wants a duplex lot, they can have one and they can build a single-family home or a duplex. He stated that was all he wanted to say and asked if there were any questions.

Mayor Odman then opened the floor to citizen comments of those in favor of the amendment.

No one spoke.

Mayor Odman opened the floor to citizen comments of those opposed of the amendment.

Kelly Hahn 250 Powell, asked the council to deny the proposal for the development on North Main and Powell Road. He stated some of the reasons is they're afraid of devaluing their property on Powell Road, the additional traffic and what's actually going to be built on North Main. His neighbor and he have 3 acres between them and he can't imagine putting 25 homes in there. They're on top of one another or condos he said he won't call them condos and guessed they're duplexes. The traffic on North Main and Powell Road is pretty heavy right now even after they put the new route on Powell Road it's gotten really busy and he can't imagine another 25 homes coming. The road going up and down the street if it's allowed to be R-3, kind of scares him as to what's going to go behind the other four acres because if you develop or let that one go to R-3 somebody's going to come in and want to develop that one too and that's going to be right in his backyard. An R-3 zone can pretty much have anything, he doesn't want to see trailers since they already have them across the way, Raspberry loop. There's a lot of riffraff over there they don't really want to see in their neighborhood. He said he would appreciate if they council would deny the proposal for the rezone.

Councilor Lyon asked Mr. Hahn if about a year ago or so, he requested a variance to build another home on his property and it was denied.

Kelly Hahn said they finally got it approved a year later. He said they went through a lot of riffraff with the city just to get it approved. It took a year between everything else, but they have an acre and a half.

Councilor Lyon said he didn't realize it got approved, and he thought it was still in the denial process.

Kelly Hahn said it got approved but like he said it's an acre and a half and not 25 homes on three acres.

Councilor Lyon asked if it went through the Planning Commission and if it got denied there.

Kelly Hahn said it did probably twice or three times he believed.

Councilor Lyon asked what the reason was for denial.

Kelly Hahn said for road easements, because they wanted to just have one road go down. They broke the property up into two pieces and he said that they couldn't have an easement road down there for the property next to it.

Paul Seaquist 684 College Street said one clarification on what Kelly Hahn was just talking about, they were looking for two splits they ended up with one. They wanted two and was only approved for one on an acre and a half. He said he wanted to get back to the question again. Years ago, this property was zoned R-1. Everything on Powell Road is zoned R-1. There was a reason for that as he recalled so that it could end up with some nice size lots in the north end of town. If it's rezoned to R-3, smaller lots are going to be allowed and without question, apartments will be allowed. At that point you should build any kind of residential properties you want to do I would encourage you to leave this zoned the way it is so that that part of that city stays intact.

John Brown 204 Powell Road, he's neighbors directly in front of where the property is being developed. He shared the same concerns as Mr. Hahn. A couple other concerns were if it does get changed to R-3 and someone decides to sell it, say Michael decides to sell it after that they don't really know what's going to happen. It could be apartment complexes it could be a trailer park. He doesn't really want to see that in his backyard. He bought this property in Milton-Freewater and he works in Walla Walla, bought because of the nicer houses and lot size in this area and he's afraid that once someone comes in and builds all these homes, they're gone they're going back to wherever and they have to deal with the outcome. He's not opposed to seeing houses come in he'd like to see nicer big lots and nice houses. Traffic is definitely an issue for him as he has little kids both sides of the street and people fly down the road and Powell's a cut off between the old highway and north main so they get a lot of it and don't really want to see much more. Also, he didn't know about the infrastructure thru there. Is it well enough to support more homes or is it something that would have to be redone. He said that's kind of his main concerns with the whole project coming in.

Tim Sanchez 102 S Main Street, asked if he lost his chance to speak in favor of the amendment.

Mayor Odman invited him to speak.

Tim Sanchez said according to census.gov there's less people in Milton-Freewater than there was in 2021 when he first came. Either census.gov is wrong, or they're right. He said he and his wife can't afford a home in Milton-Freewater. Most of the big homes up on the top of the hill either folks are retired or they work elsewhere so they do their shopping elsewhere. There needs to be

something to draw more people into the town to live here to support the local businesses. More doesn't necessarily mean worse. He said we're already in a worse situation than we were five years ago and we have an opportunity to change that by at least 25 homes which is 25 families that will participate in our schools and the activities here that could possibly also shop in the local stores here in the town. He said he doesn't know about the noise ordinances, but he gets plenty of it coming down Main Street. The town isn't growing and there needs to be something to help it to grow.

James Trump 1124 N Main, said he lives directly across from the property. He said he can understand wanting to develop that and bring in some houses making it high density he believed was going to be a mistake. There are already traffic problems and all the issues that everyone else has brought up. He has people in his yard, parking in his driveway already to go get the mail. You walk across the street and take your life in your own hands. He didn't have anything against developing the property, but cutting it down in half of the requirements to a 5000 square foot lot seemed pretty tightly packed and when you have high density housing like that you have high density problems. He has seen that several times and it will come. He has no issues of putting a few houses in there, like a dozen, it would just blend right into the rest of the neighborhood. Trying to put 25 homes in there and small cottage type homes is going to be a mess. Traffic is going to be bad. There aren't any plans for infrastructure yet that he could see and what was going to happen for police patrol. There are a lot of kids walking on that street already. There are a lot of people ripping through there 60 miles an hour so there's a lot of questions that need to be answered before he thinks the council should take to a vote to approve this. There's a lot of problems that are going to have to be dealt with and he doesn't want to be the guy stuck in the middle of it just for the ride along. There needs to be more information and more homework done. He doesn't understand why the requirement would be cut in half for one developer. To make it that much high density it makes no sense to him except for somebody to make some money and the same process is devaluing their property. It's making it even busier than it is, it's a recipe for disasters. He said he would appreciate the council to take some time to consider this because they are the people that have to deal with it all.

Manager Morris said he wanted to address one thing several people have concerns about, the traffic and the infrastructure. Whatever development the property owner decides to do, those will come into play when they come back with those development orders looking for subdividing the property like building and zoning. There will have to be studies done on traffic and utilities and see if there is enough capacity for traffic on the roads then the developer will pay for the improvements if the infrastructure has to be improved to get it to them. The developers are responsible for the infrastructure improvements. Before there's any construction done, those things would be addressed separately. That's whenever the development starts, infrastructure and traffic are addressed based on whatever the development plans are at the time.

Councilor Holden asked who was that determined by, the public's work department, or is that something that is hired out to outside engineers to determine. Who's making those determinations.

Manager Morris said it will somewhat depend if it's close if our people internally look at it and say it's pretty close, but we will have somebody come in and the developer will pay for that study. As well to have somebody come in and determine what it needs to be. There are well recognized charts and engineers have things that they can do with the calculations for traffic studies or are very well documented and for infrastructure as well. If there is an eight-inch water line running down the road then there should be no problem adding another 20 or 30 houses in there, if there's a two-inch water line running down that road then the developer is going to be putting in a new water line back

to wherever the large main line is. He said he had no clue what's running down that road. All of that would be determined by the needs of the development that's going in. They will have to come back to the Planning Commission at another time.

Public Works Superintendent Brian Steadman stated he didn't want to contradict anything Manager Morris was saying, but stated he was going to share his experience since he started working at the city in 1991. He explained what happens when a developer comes to town and they want to build something they look at the zone and they're going to design their homes whether it's 25 or 12 based on how many they can fit and they will present public works with how wide their right-of-way can be for the roads and there is already existing sewer mains and water mains on North Main that they can tap into. If zone R-3 gets approved today, they're going to be able to go to public works, and there's not going to be any traffic studies or at least they've never done one before because it's going to be based on their little short street and that's not going to be a problem, but it's going to affect Powell Road and N Main. It's going to affect 8th Street basically everything around it.

Manager Morris stated that was true in the way that things have been done, but that is not the way that things are going to be done moving forward because there are some issues in places around town because of that, so he is going to be looking at things. He said he's not going to require them to go out for a formal traffic study if there's a road that has a capacity of 5000 vehicles per day and currently have 250 or 300 trips per day on it, there would not be a full traffic study that needed to be done. A good traffic study looks at the surrounding roads, feeder roads, too and that's one of the things he's going to be doing differently and the same for the sewer lines and water lines. If public works determines that there's no problem with those sewer lines, if there's plenty of capacity in the sewer lines and water lines, then it's not going to require a study to be done on those. If it's getting close to what capacity needs to be or pressures are dropping sometimes if there are complaints and things like that then there will be engineered studies done to determine whether or not there is sufficient infrastructure and any improvements that are required because of the development going in will be paid for by the developer.

Public Works Superintendent Brian Steadman stated he was going to share some more that's going to go outside of the subject project. He was speaking about the project on the south hill. The people were allowed to build homes before they finished stormwater design and the city still has not accepted them. He shared in his experience there's nothing in place that's going to say that the city staff can put their foot down and say they can't develop. He stated in his opinion there shouldn't have ever been even one zoning permit issued on the south hill until all their infrastructure was done and still today could have issues with stormwater. During the construction there was multiple stormwater events that damaged the streets, curbs, and private properties and still to this day it's been over five years and that project still isn't done. There are people living in homes and using streets that are not even the cities responsibility because it hasn't been accepted. There is a large punch list that staff just went over and have gotten almost no response to any of those things on that punch list. He said he wasn't sure if it was proper for him to share his opinion, but he agreed with the people that do not want more barking dogs in their backyard and homes that close together. He said he'd be glad to answer any other questions.

Manager Morris stated that development on the hill is one of the big reasons that he said what he did about the way that we're going to be doing things.

Mayor Odman said that sounded like that project needed to be an agenda item at some point.

Shane Abell 135 Powell Road stated that again it's been shared their concerns, but also wanted to ask how this got through the planning phase. The gentleman who wants to do the project has not presented any plans that he has seen one thing on paper, not a draft or the plan of how many houses. He's concerned that this can get this far with no plan when you're a planning commission wouldn't you have a plan, wouldn't you present a plan. Going R-3, more of the traffic's going to head to Cobb Road and head out to the highway. Guess what happens on the highway. He's been there as he owns a funeral home. He's seen lives lost on that highway. There's going to be more traffic going to the highway because they're going to go to work in Walla Walla. There aren't jobs here or any new businesses coming in. What keeps people in our community with no jobs. When you do what he does for a living and see's the lives that's impacted by that highway, that highway is very, very important.

John Brown 204 Powell Road said he had a question about the infrastructure. He said it seemed backwards to him. To change the zone to R-3 and then do a study.

Manager Morris stated it was because it wasn't known of what's going in there. Tonight, what the council is addressing is not the subdivision that he's wanting to put in, it's strictly changing the zoning for this piece of property that's the only question. He said that is an important part of it, but the question in front of the Council tonight is do they change the zoning from R-1 to R-3. Whatever decision they make will be the zoning.

John Brown understood if the city changed the zoning to R-3 and then it comes back and there is a ton of work that's needs to be done and the developers says I'm not going to do that and someone else comes in and puts a huge apartment complex in there's nothing to do about it.

Manager Morris said as far as the question about the infrastructure, if waiting until we had the infrastructure in place that could handle any zone, then we wouldn't ever do a zoning change anywhere because the city would be paying for all of the infrastructure upgrades which means all the rate payers and taxpayers would have to pay to upgrade the lines to the maximum that could be developed on that property. If it's done when the development orders go through, then the developer has said this is what I'm wanting to do and the developers responsible for making sure that they have all of the infrastructure and things in place.

Meghan Abell 135 Powell Road, stated she has three young children and she's probably been seen walking on North Main and Powell Road fairly regularly. She walks by 13th, 14th, and 15th regularly. If you go after five when everyone is there, there are cars on the sidewalks and you cannot walk a stroller or a bike down those sidewalks because there's cars in the way and that is zoned R-2. She questioned how that was going to be remedied in a new development that's going to be closer, the houses are going to be closer, they're going to be smaller lots, there's more people, more cars, more everything. Zone R-2 has single family dwellings, R-2 has duplexes like he's proposed. There's 16 units per acre in an R-2 and 26 in an R-3. That's a big difference, especially when it's going from an R-1 that's four dwellings per acre. She said she didn't believe that anybody's under the assumption that that piece of land is going to go undeveloped forever but to cram that many units in seems like a lot. For her as a mom, she has the same concern as others of where all of the cars are going and who is going to be enforcing that speed. People are already going fast by the time they hit Cobb Road and they're using Powell Road as their go between, between the old highway and North Main. She's not opposed to it being developed, what she's opposed to is the lack of plan that has gone into it so far and that's concerning to her as a mom

who's going to be living there and how many cars are going to be crammed into that small of an area.

Emily Martin 211 SW 12th said she had a different perspective as she doesn't live in the area of concern. She stated she is a real estate agent, and maybe she would make a profit off of it someday, but that's not what she's about. She wanted to know exactly what's being approved because like many have said, there seems to be a lack of a plan. Maybe consider a zone change from R-3 to R-2, but some other things to know is what is affordable housing. Has anyone seen his plat maps. Are there going to be CC and R's or HOA's. Is it known who is going to enforce these just like code enforcement. She can't sell houses on some of those places because there's no place to park just like on 14th and 15th all the cars parked on people's lawns lining all of those streets. She went to a house showing and couldn't even find a place to park so obviously they're not going to move here if there is no place to park. Another concern she listed was safety of kids walking to school since there is not sidewalks on both sides. She asked what exactly was being approved. She did agree there is a crisis and the city is in need of affordable housing here, but wants to know what's affordable and have a plan before an approval. Make a plan for infrastructure, all the studies all of the things before the approval of these people.

Councilor Holden asked if it is approved tonight to change the zoning, and they present plans, what is the legal process that has to be followed once those plans are presented. Who all has to approve it once those plans are turned in.

Manager Morris stated the Planning Commission will have to approve it because it's a subdivision at that point. This is changing the zoning on a 3.32-acre parcel of property that's what's in front of you tonight is that if that changes or if that doesn't change. If you pass it or you don't pass it before any development can be done on that property it has to be subdivided and the subdivision plans will go back to the Planning Commission and go through that process. That process is not a level IV change so it would not have to come back before the Council. The level IV processes are the ones that come before the Council with recommendations from the Planning Commission.

Suni Danforth 225 Maple Avenue asked what is allowed in a R-3 zone. She's heard people say everything is allowed, which is not necessarily the case. What exactly is allowed in R-3, because she understands that tonight what's before the council is only changing the zone.

Councilor Lyon stated storage units and apartments.

Councilor Holden stated storage units can be conditional up to 26 units and that was another question she has, was a unit like an apartment, would it be a unit.

Manager Morris stated he believed that to be correct.

Councilor Holden stated that allowed 26 units per acre and then there are other conditional conditions, which she was searching for the definition of.

Manager Morris stated if you go by the square footage of the lot for single family home you can only have 8 per acre at 5000 square foot per acre. You would only have eight lots per acre maximum, but you could have under R-3 zoning construction of apartments or something like that that gave up to 26 units per acre.

Suni Danforth stated there is a lot of variety that can be and so once the zoning is done the rest is out of your hands.

Councilor Lyon stated nursing homes and manufacture homes are also allowed.

Meghan Abell stated she had the city code for an R-3 zone printed out. Allowed uses noted were duplexes, home occupation, manufactured housing, modular home single-family dwelling, public utility facilities, single-family dwelling, church, golf course, manufactured home subdivision, multi-family dwelling, boarding/rooming house, manufactured home park, nursing home, planned unit development, public or private school and storage units.

Councilor Lyon asked the council or anyone who was in support of this amendment to tell the council to tell the citizens where the city planners that came up with the R-1, R-2 and R-3 designation for this area where they went wrong. The planners had to have some sort of metrics when they designed this and they deemed that R-1. Where was the error. Why would the council want to change the zoning now when the planners back then deemed it R-1.

Manager Morris said he didn't believe that anyone was around when that was zoned. Often when partials are annexed into the city, they are set at a zone that is currently commonly around them or currently being used as. There is not a reason to rezone just because it's been zoned in the past. In that case you would never have any changes to your city at all.

Councilor Lyon stated that some of the councilman was elected for change. What direction does the council want to go. Do you want to change it from R-1 to R-3. He then asked what was low income as far as zoning.

Manager Morris stated zoning and income don't correlate.

Councilor Lyon said if you read the application it does correlate. R-3 is medium income and a lot of the council was voted to change the city, is that what the council wants to do.

Manager Morris stated R-3 could be low, medium or high income. There is nothing that says what the income level has to be. What the staff report is referencing is that smaller lots would be leading to lower price housing than a larger lot would be. That is what's meant by medium housing.

Councilor Lyon said Raspberry Loop is zoned R-3, and if there's a need for more R-3 zone then why doesn't that get filled up. Why is more R-3 being considered when there is plenty of R-3 that is vacant.

Manager Morris stated the city doesn't have control of filling up other R-3 zones.

Mayor Odman reminded the council that the public hearing was still open and they needed to stay on track with that.

John Brown asked if that parcel had just been zone R-1 from an agricultural zone.

Manager Morris state he didn't know. He said for those of you that are looking at him like why doesn't he know what you're talking about, last Friday was Planning Assistant and Interim City Planner's Kassidy Ruiz's last day before she went out on maternity leave. He is now having to take

up for her and she has been the one that's been working with all of this stuff so he's got about two and a half months that he's got to get caught up and make sure that he's up to speed on things. He said he wasn't sure when it was changed. He did agree that it has been agriculturally used but you could have agricultural use on an R-1 lot. So, it may have just been within the last year or so that it was changed from agricultural to R1. He has not been involved with this property in the past year.

Mayor Odman stated all those who spoke in support were now invited to rebut the testimony of those who spoke in opposition.

Michael Melder said he heard multiple comments that he wanted to speak to primarily what he did with coming in with the R-1 to the R-3 rezone, he followed the city's application process. There's been discussions about infrastructure, traffic, trailer parks and income level. His application packet that he prepared, which he believed the council had it specifically lists his goal to build single-family residential properties with duplexes. He has also heard a lot of comments said that he doesn't have a plan, personally he said he does have a plan. He's talked to public works, had a feasibility study, which was one of the very first things he did on the property. He completed a geotechnical report and can confirm stormwater infiltration rates are fantastic. He met with public works director, the city engineer, and got the city GIS maps. He has looked at water and sewer infrastructure. Main Street has the infrastructure for the development and has the infrastructure for R-1, R-2, R-3 and commercial. Everything he needs would be right there depending on what he was trying to do. His application lists his plan which is single family residential and four duplex lots. The infrastructure beyond utilities which to say water, sewer, and power the other infrastructure is frontage improvements, city streets and city standards. He's heard a lot of comments about safety, if he goes to develop this property regardless, he pulls a permit on anything, he's planning to do what is required in the city code, gutter, sidewalk along his frontage. Children on bicycles and tricycles are going to have a sidewalk on the west side of that road. It's going to be six inches of relief from the traveled way just like you would see anywhere else on a downtown corridor. He said he couldn't speak to the traffic pattern and there are studies and full-blown traffic impact analysis which this property probably is not going to trigger that. Intersection analysis that's potential, the turning movements that need to be made to safely maneuver that intersection. Traffic calming devices, bump outs, four way stops, those are things you look at. He said maybe that's something that needs to be done as part of this project, he's not sure because without the reason why would he go and do that study. There was a discussion about apartments, he said to go back and look at the application. He believes he's done what he thinks is his due diligence. He's comfortable with what the economics look like. It was asked if R-3 meant low income or medium income it doesn't, his goal is to build a high \$200,000 and low \$300,000 home. If it's R-1 because of the infrastructure, the frontage improvements to run utilities across the property he's going to be looking at \$450,000 to \$500,000 homes to try to make it pencil, which he isn't going to do. He said he can't afford it.

Councilor Lyon asked Mr. Melder if he owned the property.

Mr. Melder stated that he did.

Councilor Lyon asked Mr. Melder if he bought the property knowing it was zoned R-1.

Mr. Melder stated he bought the property knowing it was R-1. He said he's a civil engineer by trade so he did look at it and shouldn't have said the R-1 doesn't pencil, but that's where he would have to pivot to, but his goal personally was to retain some of the properties. He's got his wife and

they've got two divorced parents, remarried, they've got five family members in their 70s. He wanted to give them one of the houses and he lives five miles up the road in Walla Walla County, but lives a quarter mile from state line road. He can run down the road and be there, it's 5.3 miles from his house so that's what he was going for. He would say if it doesn't get rezoned other options are trailers which are allowed in R-1, again that's not his goal, but it's allowed in the R-3 again it's not his goal. The property to the West is zoned R-1 and they did a Public Utility District, they have the same density that he has, but if you look at it on a map you've got ADU's twisted and turned in there and to him, it's not a pretty looking development it looks congested it doesn't look doable. He could go that route he could go for a PUD in an R-1 that's something he could do, but again his thought was he likes parallel and perpendicular lines and wanted the R-3 50 by a 100 foot lots on some of them, 7500 square foot lots on the others. He was going to build footprints of 1200 square feet maybe two story maybe get up to 1800 square foot with a two-car garage. CC and R's one of the real estate agents mentioned that he would like to have CC and R's because he wants to retain some of the property then it gets into a question of enforcement, he was not quite sure how that looks he's not a real estate mogul and has never done that. He owns a house and he owns a second house, sold his first house he's own two houses in his life. The first one had CC and R's, couldn't have a boat couldn't have an RV couldn't park it in the street, congestion, it wasn't that bad. It was on very similar size lot in College Place. He stated again his goal is to keep it clean, he wants a nice neighborhood and doesn't want to impact people's property values that's going to impact him as well. He said he thought he covered what he wanted and even though the conversation was a little bit beyond the scope of the application because it's about the rezone. He stated he felt like it was important to share that and let people know that yes, he does have a plan, but it wasn't part of the public process, but guessed it was now.

Mayor Odman stated all those who spoke in opposition were now invited to rebut the testimony of those who spoke in favor.

Carolyn Hahn 250 Powell Road stated she was at the last planning commission meeting and she asked if he had plans at that time Mike had no plans and couldn't answer any of the questions. He said there might be duplexes, houses, he's not sure. She said they asked Mike how he was going to sell the duplexes and she said, he said he wasn't sure. So, for him today, all of a sudden, to have plans kind of amazes her that he has plans for this meeting, but didn't at the last one. That was her concern that all of a sudden, he has plans and she wished and hoped that the council denies this.

Hearing no further testimony or comments, Mayor Odman declared the hearing to be closed. He then opened the floor for council comments.

Councilor Koklich said he's read through the agenda packet and has spent a lot of time going through it. He received several phone calls and emails and they're wanting to talk to council about the planning commission meeting and everything he has read wasn't very positive about this development. The main concerns seem like the majority of people don't understand what he wants to do. They can't picture the project and there's no blueprint. He said he understood that the developer didn't want to spend \$160 an hour for design or engineering the blueprints, but he would have liked to have at least a sketch of what he was thinking. Councilor Koklich then showed a sketch that he made. He said it would have probably helped for people to understand the vision for the project. He said he would like to postpone the vote on the zoning and have the developer present some draft ideas. There's an irrigation ditch that runs along that area and there are a lot of water right holders.

Manager Morris stated that if that's what the council chooses to do that's fine, but you're not going to get concrete plans at this time. He reiterated again that this meeting's request is not to approve a development, it's to approve a zoning change.

Councilor Jensen asked if the planning commission would then approve that if council approved the zoning change.

Manager Morris stated that he was sure that Michael could put together something that was just a schedule of what he intends to do. To say this is my idea. That might be what people are looking for that might help everybody to understand, but that would be a very preliminary set of plans.

Councilor Holden stated that wouldn't even be legally binding. It would just be that he showed it to us and then he could still build apartments.

Manager Morris said, correct.

Councilor Holden asked if anyone knew the dimensions of the lots across from Freewater Park just recently developed.

Brian Steadman looked up the lot size which is 53' x 97'.

Manager Morris stated he believed it was zone R-3.

Councilor Lyon motioned to adopt findings of fact supporting adoption of zoning map amendment. Councilor Jensen seconded the motion which passed unanimously.

Councilor Lyon made a motion to deny the zoning map amendment from R-1 to R-3 on map number 5N3535DC Tax lot 3301. Councilor Jensen seconded the motion. Roll call vote was taken and there was discussion regarding the confusing motion, therefore Councilor Lyon withdrew his motion.

Councilor Lyon motioned to keep tax lot 3301 on map 5N3535DC as zone R-1. Councilor Jensen seconded the motion which passed with Councilor Holden being the dissenting vote.

At this time Mayor Odman called for a five-minute break at 8:22 p.m. The meeting reconvened at 8:29 p.m.

Mayor Odman stated for clarity, there was one more motion to close out the zoning map amendment agenda item.

Councilor Lyon motioned to deny the application 2025-02 submitted for a zone change. Councilor Irving seconded the motion. Motion passed with Councilor Holden being the dissenting vote.

RECOMMENDATION OF CHARTER AMENDMENTS BY THE CHARTER REVIEW COMMITTEE

Committee Chair Suni Danforth first thanked the council for forming the Charter review committee that she has been asking for quite some time. She then announced and introduced the committee members. She stated on behalf of the Charter Review Committee; it was her honor to deliver and recommend Charter amendments to the Milton-Freewater City Council for consideration. She

stated although they did not have a lot of recommend changes, they believed the ones they were recommending are important and will help modernize the Charter for the City of Milton-Freewater.

Due to the lengthy meeting agenda, there was a council consensus to consider the amendments at a future council work session.

Ms. Danforth offered to attend that meeting to be available to answer any questions the council had regarding the process and thought behind each recommend language change.

RESOLUTION NO. 2563 AUTHORIZING SIGNATURE TO AGREEMENT WITH ANDERSON PERRY AND ASSOCIATES FOR WATER SYSTEM MASTER PLAN UPDATE

This was an agreement with Anderson Perry and Associates to provide professional services to develop an updated Water System Master Plan and Water System Model. This plan will evaluate the existing water system, identify infrastructure improvements, assess the addition of a new pressure zone, and accommodate future conditions for growth and sustainability.

Councilor Holden motioned to adopt Resolution No. 2563, Resolution Authorizing Signature to Agreement 201-62 with Anderson Perry and Associates, Inc. of La Grande, Oregon, to develop a new Water System Master Plan and a hydraulic water model of the City's water system, Contract 315. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2564 TRANSFER FUNDS DUE TO UNFORESEEN REVENUES AND EXPENDITURES

Manager Morris stated a large storm, that caused a long-term outage of power service in November 2024, resulted in significant additional expenses. The storm required work from crews, as well as calling in assistance from Columbia Rural Electric Association. This expense was unforeseen at the time of preparing the budget. The adjustments are necessary in order to stay in compliance with local budget law.

Councilor Irving motioned to adopt Resolution No. 2564, Resolution to make appropriations due to unforeseen expenditures and revenues. Councilor Lyon seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2565, RECEIPT OF STATE REVENUE SHARING FUNDS

Mayor Odman 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 \$93,731

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 the hearing had been published according to law and there were no written comments on file.

Mayor Odman opened the floor to citizen comments. There being no citizen comments, the Mayor declared the hearing to be closed. He then opened the floor to the entire Council.

Councilor Lyon asked if the funds could be spent on golf course cart paths.

Manager Morris stated the funds were projected to go towards public safety purposes.

Councilor Holden motioned to adopt Resolution No. 2565, Resolution Electing to Receive State Revenue Sharing Funds for Public Safety Purposes. Councilor Irving seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION - ADOPT FISCAL YEAR 2026 BUDGET (July 1, 2025 – June 30, 2026)

Prior to Mayor Odman reading the public hearing rules, Manager Morris asked to provided additional information regarding the proposed budget.

In summary, Manager Morris explained that a budget was a plan based on educated predictions and experiences. One of the large items in the fiscal year 2026 budget was the projected rate increase which he originally proposed was a twenty-percent (20%) increase. The Budget Committee reduced and recommended an eighteen-percent (18%) increase instead. Part of the proposed increase was for operations costs, medical insurance and PERS expenses which is expected to increase. The purchased power from BPA (Bonneville Power Administration) is increasing by 4.3% in power and 18% in transmission. Transportation and supply chain issues have continued to stay high. In past years, maintenance has been deferred to keep rates low, which is no longer sustainable. Rate increases are needed to build capital reserves for large upgrades and repairs to the system. He stated he reviewed the electric department financials, and they have had lower expenses this year than projected along with not filling one engineering technician position. These items, allowed him to recalculate the beginning fund balance. He was now proposing to change the beginning fund balance from \$1,013,820 to \$1,300,000 for the electric department which will reduce the proposed rate increase from 18% to 15%. Small increases each year in the utility departments will reduce or eliminate the need for large ones. He said there are large water projects needed with very little money set aside for these costs. There will be challenges in the solid waste/recycling utility as well as renovation upgrades in the sewer department.

Councilor Holden suggested hearing the other agenda items, including the proposed rate increase prior to considering the adoption of the proposed budget.

Councilor Holden motioned to table agenda item 4F Public Hearing and Resolution – adoption of fiscal year 2026 budget until after the rate increases are considered. Councilor Lyon seconded the motion which passed unanimously.

RESOLUTION NO. 2566 AMEND GOLF COURSE DAILY RATES

The proposed resolution was amending the golf course daily greens fees by three percent (3%) effective July 1, 2025.

Councilor Holden motioned to adopt Resolution No. 2566, Resolution Amending the Municipal Golf Course Daily Greens Fees to reflect a three percent (3%) increase effective July 1, 2025. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2567 AMEND WATER RATES

Resolution amending the water rates to reflect a five percent (5%) rate increase effective July 1, 2025 as proposed in the budget.

Megan Hoel, 915 S. Main – this is her business address and where she pays all her utilities. She was not in favor of the proposed 5% rate increase. With this 5% increase plus last year's 20% and the year before 25%, the water rates have increased 50%. She asked if the increase was just to stock the coffers.

Manager Morris replied, yes, but not exactly the way she meant that. It's partially to increase the amount of funds in the utility for the water infrastructure projects that need to be done. The city doesn't have several million dollars set aside to do that or to work with.

Megan Hoel, said, but it was 45% over the last two years.

Manager Morris shared that the city missed out on a grant because the water rates are too low.

Megan Hoel asked Manager Morris if he lived in the utility district.

Manager Morris stated he did not.

Councilor Irving stated for the city to qualify for grant funding, the rates have to be higher.

Manager Morris stated the higher rate needs to be in effect at the completion of the project. The number is 30% that the rates need to be increased.

Megan Hoel asked what the 45% increase in rates the past two years was spent on.

Manager Morris stated it has been used for operational expenses and has been used to provide clean drinking water. There's a projected \$4 million dollars in infrastructure projects needed. He explained the projects and spoke about the aging infrastructure.

Lore Azahares Cowl Street – spoke against the rate increase. She also asked why she has to pay for the recycle fee if she doesn't use it.

Manager Morris stated recycling is available at the depots. He said there will be more discussion on recycling when the State implements mandatory curb side recycling.

Megan Hoel asked if the infrastructure fee was going up too.

Manager Morris replied, no.

Tim Sanchez 102 S. Main – asked if only the water rates were increasing.

Manager Morris stated no. Proposing a 15% increase in electric rates and 5% in each, water, sewer and solid waste plus 3% for the golf course daily greens fees.

Mr. Sanchez asked how many customers were impacted.

A brief discussion ensued.

Councilor Irving motioned to adopt Resolution No. 2567, Resolution Amending Water Rates Reflecting a five percent (5%) increase effective July 1, 2025. Councilor Holden seconded the motion. Motion passed with Councilors Koklich and Lyon being the dissenting votes.

RESOLUTION NO. 2568 AMEND SEWER RATES

A five percent (5%) sewer rate increase was included in the proposed fiscal year 2026 budget.

Tim Sanchez 102 S. Main – asked why there wasn't a sewer drain on S Main and 1st Street.

Manager Morris said that would be storm water and he was unsure. He said he would look into that.

Councilor Irving motioned to adopt Resolution No. 2568, Resolution Amending Sewer Rates Reflecting a five percent (5%) increase effective July 1, 2025. Councilor Lyon seconded the motion. The motion passed with Councilor Koklich being the dissenting vote.

RESOLUTION NO. 2569 AMEND SOLID WASTE RATES

A five percent (5%) solid waste rate increase was included in the proposed fiscal year 2026 budget.

Councilor Holden stated the increase was equal to an eighty-nine cent (\$.89) per month increase. The new monthly rate will be \$18.62 per month, which is low compared to the next closest rate in the area which is City of College Place at \$24.99. Milton-Freewater is still significantly lower than anyone in the area.

Councilor Lyon asked if the building was still needed for the garbage truck to park in.

Manager Morris stated the building is still needed, but that doesn't mean the building will be built this year. The trucks need to be parked under cover to help with wear and tear from the elements.

Councilor Holden motioned to adopt Resolution No. 2569, Resolution Amending Solid Waste Rates Reflecting a five percent (5%) increase effective July 1, 2025. Councilor Irving seconded the motion. The motion passed with Councilors Koklich and Lyon being the dissenting votes.

RESOLUTION NO. 2570 AMEND ELECTRIC RATES

Manager Morris stated the fact sheet from staff was recommending an eight-teen percent (18%) rate increase in electric rates, but as he mentioned earlier that he did some recalculating and he was now recommending a fifteen percent (15%) rate increase for reasons that he listed.

Ms. Hoel stated that when she originally looked into the rate increase it was presented to the budget committee as a twenty percent (20%) rate increase. She read in the draft budget committee minutes and read that there was a proposal of 18% for electric and 4% for each sewer, water and solid waste, which was not adopted. As a small business owner, she calculated what her average increase will be based on the last twelve months. On average it will be \$38.36 per month and \$460.00 per year which equaled an 11.17% increase in her utility bill. She asked why wasn't the issue addressed incrementally in previous years rather than all at once. She read the budget from last year and she said all the council were there last year where Councilor Humbert suggested having an increase.

A brief discussion ensued regarding fiscal year 2025 budget.

Ms. Hoel stated that the Public Utility Commission is limiting increases to ten percent (10%), like Pacific Power, PGE, and Idaho Power. She has Pacific Power as a provider where she lives and is going to see a ten percent (10%) she didn't see why the city would have to have anything higher than that.

Manager Morris stated because there weren't increases in previous years, when there was a need for them.

Ms. Hoel asked what the difference was from last year, with no increase, to this year with a 15% rate increase. She asked what the deferred maintenance repairs are.

Manager Morris stated his assumptions for the reason of not increasing the rates where to keep the rates as low as possible and over time there was a lot of people who decided to defer maintenance.

Ms. Hoel asked if "a lot" of people meant the city council.

Manager Morris stated the city council, staff and the citizens prefer not to pay increased rates. At some point you have to. He then spoke about substation maintenance needing done.

Ms. Hoel asked for clarification on how much of the proposed electric rate increase was going towards wages.

Manager Morris stated he believed on the calculation from last year to this year was 7.6% increase in wages. He said that was a calculation that included more than just wages, like overtime. Earlier in the meeting there was a resolution adopted that allowed funds to be transferred to cover the cost of a large outage due to a wind storm. He said the employees are not getting a 7.6% raise.

Ms. Hoel asked if they were getting a 7.6% raise.

Manager Morris stated they are not getting a 7.6% raise, but a raise close to that. There is a 15% increase in benefits also.

Ms. Hoel asked how is the city planning to help with low income and fixed income households that will struggle with this added burden.

Manager Morris stated there is additional amounts of funding that was put into the conservation line item for the proposed budget which will be used to help citizens make their homes more energy efficient.

Sandy Snook 22 NW 6th Avenue, thank everyone for their service to the city. She asked the city manager to go back and crunch the numbers. She believes the rate increases are going to be a huge burden for many residences. She then shared some statistics from the 2024 Census.

Brenda Avila 514 Ward shared her serious health condition she experienced last October. She is working as much as she can, the rate increases are going to have a huge impact on her. She said her monthly bill is \$500 per month. She spoke against the rate increase.

Sheila Campbell 215 Hill Avenue stated she is a manager at the Adventist Thrift Store and part of the ministerial association. She spoke against the rate increase and stated it was going to hurt a lot of

citizens. She also asked that the disconnect/reconnect policy be looked at to help those who have had their power turned off.

Tim Sanchez 102 S Main stated outside the golf course, all utilities were increasing. For him, he will be paying \$225 per month at his church. He said the council just killed the chance for additional housing earlier, which could have generated more taxes. The town is failing to bring in people.

Mike Charlo 1842 Walnut Street stated he is a retired employee, and a current budget committee member. He said he was not in favor of the rate increase. Power purchases only increased \$86,000 which was not a significant increase. He said he also didn't understand why the methodology has changed for calculating the electric department franchise fees. The line crew can only do so many other projects along with all the other things they do like tree trimming. He urged the council to lower the rate increase a few more points.

Tucker Stringham 1004 Jacquelyn Street stated the community had a lot of agricultural workers and he was not in favor of a 15% electric rate increase.

Councilor Lyon shared a situation with his neighbor who was on the equal pay plan, who had their power turned off for two months because they couldn't afford the true up cost of their bill. They had to borrow money from a relative. The rate increase is going to affect a lot of people who already can't afford their utility bill.

Manager Morris stated the equal pay plan was an estimate for twelve months then divided by twelve. That is what the customer pays monthly, after the twelve months then there is a true up of what the actual bills were verses what was paid. The customer is then billed for that difference.

Councilor Koklich spoke about Wanapum and Priest Rapids (Grant County) dams that the city receives a portion of the output and has a contract with. He also spoke about the negative impact the windmills have on the city. He encouraged citizens to write to their representatives about the issue and stated the city was at the mercy of Bonneville Power Administration.

Councilor Lyon stated the city used to receive non-firm sales in the million-dollar range and now are only receiving \$200,000.

Councilor Irving motioned to adopt Resolution No. 2570, Resolution Amending Electric Rates and Fees by 15% effective July 1, 2025. Councilor Lyon seconded the motion. The motion failed with all of the council voting no.

Tim Sanchez stated the increase needed to be revisited.

A discussion ensued regarding the last increase(s).

Councilor Irving motioned to adopt Resolution No. 2571, Resolution Amending Electric Rates and Fees by 12% effective July 1, 2025. Councilor Lyon seconded the motion. The motion failed with all of council voting no with the exception of Councilor Lyon who voted yes.

Mike Charlo said that an increase between 10-12% was probably reasonable due to the cost of materials. This amount of increase should fund the projects and do the maintenance required. As far as reserve funds, there are funds currently available.

Councilor Holden stated she was comfortable with ten percent (10%), this means the city will have to make some cuts.

Emily Marten asked to split the difference.

Megan Hoel stated it has been made to work the last few years with no increase, why not now.

Manager Morris stated in future years if there could be a 4% increase each year that could help. He said he was hired to give the council his best guess and professional opinion on what's needed and a 15% increase is needed. There is money in the reserves, but it needs to be built back up. He said he is getting ready to spend one million dollars (\$1,000,000) on a transformer. A 1% increase equaled \$88,000. He wants the city to be in a position to where it's in good shape. He will work with what the council decides. You can only put off maintenance for so long.

Councilor Lyon stated he had always thought the budget should be passed prior to union contracts. He said Manager Morris will have some real stress trying to figure out how the budget is going to work.

Manager Morris said the contract is for three years so the next two years he won't have to worry about it.

Megan Hoel asked if the citizens could expect a rate increase every three years because of wage increases.

Manager Morris stated his expectation will be that there will be a small increase each year so there doesn't have to have big increases.

A discussion ensued regarding how to increase revenue in the city and an Economic Development position.

Councilor Jensen stated that since 2019 when the City of Ontario has allowed marijuana shops in their city, they have made \$3.9 million in revenues from the tax. She said she believes putting that back to vote and getting a yes vote would bring in a significant amount of revenue for the city.

Megan Hoel stated that the revenue is consumption based.

A brief discussion ensued.

Councilor Jensen stated that Oregon has cheaper weed than Washington does.

Councilor Lyon motioned to adopt Resolution No. 2572, Resolution Amending Electric Rates and Fees by 10% effective July 1, 2025. Councilor Irving seconded the motion which passed unanimously.

**PUBLIC HEARING AND RESOLUTION NO. 2573 - ADOPT FISCAL YEAR 2026
BUDGET (July 1, 2025 – June 30, 2026)**

Mayor Odman 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 2026.

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 the hearing had been published according to law and there were no written comments on file.

Mayor Odman opened the floor to citizen comments.

There being no citizen comments, the Mayor declared the hearing to be closed. He then opened the floor to the entire Council.

Councilor Lyon stated the 2026 summary has been removed from the budget book and was told that it would be in the budget that was adopted.

Manager Morris stated he failed to do that. He said the vote by the council was voting on the numbers and the narratives were part of the budget message.

Councilor Holden asked how much notice would it take to have a second meeting.

City Recorder Leanne Steadman stated it could be advertised just the same as having a second meeting in the month.

Manager Morris stated if the council chooses to have another meeting, that can be done. He said the council could adopt the budget with the amendment to the electric rates. During the year there could also be a supplemental budget done.

Councilor Holden stated with a reduction of \$704,000 to the budget, it would be nice to know where the budget cuts will be done.

Manager Morris stated he would get an update to the council so they would know where the cuts have been made.

Councilor Lyon motioned to adopt Resolution No. 2573, Resolution adopting the budget for 2025-2026 fiscal year not to exceed \$47,816,457 (including \$1,783,118 of unappropriated fund balance and reserves), levy taxes at the rate of \$3.7499 per \$1,000 of assessed value for operations, \$100,000 Local Option Tax for Senior Transportation, \$100,000 Local Option Tax for Parks & Recreation, \$320,000 for General Obligation bond for new police station and make appropriations as listed on Resolution. Councilor Irving seconded the motion. The motion passed with Councilors Holden and Koklich being the dissenting votes.

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

Lore Azahares 910 Cowl Street asked if there was going to be more sound variances approved in her area.

Manager Morris stated he is now approving the sound variances. Freewater Cider did have a sound variance permit recently, but the event didn't happen. They have assured him that they have changed the layout of their events and there should be less of an impact on neighbors.

Megan Hoel asked if the pool was going to open this year.

Manager Morris stated the pool was opening June 14th. Scheduling is still being worked out.

Megan Hoel asked if there was going to be swim lessons offered

Manager Morris stated swim lessons begin June 16th.

Megan Hoel asked what the cost was going to be.

Manager Morris stated there was no increase in rates.

Carolyn Hahn stated she wanted a meeting with Manager Morris and Police Chief Joe Shurtz June 10th at 3:00 p.m. regarding the "laws".

Manager Morris and Chief Shurtz both said they could accommodate that date and time.

The council adjourned to executive session at 10:28 p.m. pursuant to 192.660 (2) (d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

The council returned to open session at 10:55 p.m.

Councilor Lyon motioned to ratify the Public Works Bargaining Unit Agreement as orally presented. Councilor Irving seconded the motion which passed unanimously.

There being no further business the meeting was adjourned at 10:57 p.m.

Mike Odman, Mayor