CITY OF MILTON-FREEWATER **August 10, 2026**

CITY COUNCIL MINUTES

The Council of the City of Milton-Freewater met in regular session on Monday, August 10, 2026 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 Wes Koklich, Destiny Jensen, Steve Irving, Jon Mendez and John Lyon.

Councilor Jose Garcia was absent.

Staff members present were: City Recorder/Interim City Manager Leanne Steadman, Police Chief Joe Shurtz, Finance Director Laurie Bubar, Fire Chief Shane Garner, Electric Superintendent Richard Jolly, Emergency Communications Specialist Tracy Martinez, Conservation Specialist Ryan Westman, Public Works Assistant/Project Aide Krista Gannon, Lead Mechanic Bryon Carson, Public Works Supervisor Shane Wright, and Police Officer Greg Bunker. Public Works Engineering Technician Steven Patten and Electric Engineering Technician Matt Hellberg joined via conference phone.

Guests and citizens present were: David Prock, Kay West, Marlene McClinktock, Paul Seaquist, Tammy Seaquist, Donna Sheridan, Sally Babcock, Ann Jolly, Jolene Norton, Megan Hoel, Clarence York, Gerry Seagrave, Tim Sanchez, Robin Sanchez, Luis Campos, Tina Kain, Robert Johnson, Patricia Francola and Clemencia Moreno.

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

OATH OF OFFICE – CITY COUNCILOR WARD 2

Jon Mendez was sworn into office by City Recorder Leanne Steadman. Mendez will fill the remaining term of City Councilor Ward 2 which was vacated by Emily Holden who resigned due to moving out of city limits.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of:

- City Council Executive Session Minutes from July 13, 2026
- City Council Regular Session Minutes from July 13, 2026
- City Council Special Session Minutes from July 27, 2026
- Library Board Minutes from May 28, 2026
- Recreation Committee Minutes from April 21, 2026
- June 2026 Financial Reports
- Resolution No. 2611, Authorizing Signature to Grant Agreement with Milton-Freewater Area Foundation for Yantis Park Tennis Courts Replacement Project

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

PRESENTATION ITEM – SPECIAL PRESENTATION OF DONATED GIFT

Councilor Irving presented a handcrafted lazy-Susan art piece with the logo of the City of Milton-Freewater engraved on it, which he purchased at an auction during a Chamber of Commerce banquet.

UNFINISHED BUSINESS:

BID AWARD – OF CONTRACT 321 TO CONDUCT A WATER RATE STUDY

Public Works Engineering Technician Steven Patten addressed the council via conference telephone, explaining that the study is a mandated component of the city's Water Management Conservation Plan. He recommended FCS Group, a Bowman Company of Portland, Oregon, citing the necessity of long-term financial forecasting and AWWA standards to secure future grants and low-interest loans. Patton explained that a state grant covers $20,000 of the $39,800 total cost, leaving the water utility to fund the remaining $18,000 to $19,000 which is included in the fiscal year 2027 budget.

Councilor Lyon noted differing engineering opinions but acknowledges the study is legally required by the Water Management Conservation Plan.

Councilor Koklich asked how water was tracked.

A discussion ensued regarding water usage tracking for fire tenders filling up from city hydrants to fight fires in the Tollgate and Dry Creek areas, and whether the study could be done in-house.

Patten explained that the city conducts an annual water audit and requests water use logs, estimating usage for larger fires by comparing daily consumption records. He adds that city utility staff lacks training in economic analysis, noting that standard practice for municipal utilities such as Irrigon, Walla Walla, Hermiston, and Pendleton hire specialized consultants.

Councilor Irving added that professional, third-party study is essential for securing future grant funding.

Patten noted that no water rate study has been completed in the 9 years he has worked for the city, and the 2021 plan specifies a 5-year update interval.

Councilor Mendez motioned to award FCS, a Bowman company of Portland, Oregon, as the most qualified firm to conduct a water rate study, Contract 321, and to direct the Mayor to sign a contract for consulting services to complete the water rate study for the amount of $39,800. Councilor Irving seconds the motion, which passed with Councilor Lyon being the dissenting vote.

BUSINESS ITEMS:

ADOPTION OF MAYOR AND COUNCIL COMMUNICATION AGREEMENT

The Mayor and Council Communication agreement was updated to reflect the newly appointed City Councilor Jon Mendez who will fill the remaining term of Ward 2 that was vacated by Emily Holden who resigned due to moving outside city limits.

Councilor Lyon motioned to adopt the Mayor/Council Communication Agreement. Councilor Jensen seconded the motion which passed unanimously.

APPROVAL OF EMERGENCY PUMP REPAIR SERVICES INCLUDING REMOVAL, INSPECTION, FISHING AND REBUILD/REPLACEMENT OF THE WELL #6 PUMP AND COLUMN ASSEMBLY

Public Works Engineering Technician Steven Patten addressed the council via conference telephone along with Public Works Supervisor Shane Wright they reported there was a significant flow drop of 150 gallons per minute, and a thumping noise detected on June 15, 2026. Staff initiated an emergency procurement for $25,000 to pull the pump, selecting a well driller who could mobilize immediately. Upon pulling the pump, they discovered it had broken off and the bowl assembly was wedged in the well at 435 feet, the pump is set at 430 feet.   They explained that Well #6 is a crooked "dogleg" structure over 900 feet deep and cased to bedrock, placing immense mechanical stress on the shaft. Video inspection showed irregular "river rock" cavity walls. If the wedged pump piece is left, it will seal off the lower portion and water production will be lost.

Wright shared the pump broke in 2013, and in 2016 or 2017.

Patten stated the estimated repair costs, including Change Order 1 for fishing or pounding $35,000, Change Order 2 for a new pump and prevailing wage adjustments $89,430, electrical disconnects by Doyle's Electric $6,500, Widner Electric motor inspection $2,000, BOLI fees $1,250, and a $25,000 contingency, total $191,590.   He stated repairs will be funded by the Water Capital Fund, requiring other planned capital projects to be delayed.

Councilor Koklich asked if this emergency repair would interfere with the Well 10 and Middle Reservoir project.

Patten shared that 90% of the Well 10 project was grant funding. There currently wasn’t any funding in the current budget for the Middle Reservoir project as grant sources were still being sought.

Councilor Lyon motioned to approve estimated project costs for the Well #6 project – Schneider Water Services, Doyle Electric, Widner Pump and BOLI prevailing wage fees totaling $166,590 in base costs; to authorize a total project expenditure not-to-exceed $191,590, which includes a 15% contingency, $25,000 for unforeseen or incidental costs arising during the work; and to authorize the Interim City Manager to execute the associated vendor agreements and any subsequent change orders, provided the cumulative total does not exceed the $191,590 authorized amount. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2612, AUTHORIZING APPLICATION FOR A REGIONAL INFRASTRUCTURE FUND GRANT FROM BUSINESS OREGON FOR THE WELL 10 COMPLETION PROJECT

Public Works Engineering Technician Steven Patten addressed the council via conference telephone. He presented Resolution No. 2612, authorizing a grant application to Business Oregon for the Regional Infrastructure Fund to complete the Well 10 project, noting the program offers up to $1 million for construction and $250,000 for planning. He emphasized the Well 10 project was a stronger candidate for this application cycle over the Middle Reservoir Replacement. Listing its critical role in supporting south hill housing growth by acting as a pressurized booster pump system or pumping water to an additional gravity-feed storage reservoir capable of meeting the required 1,500 gallons per minute residential fire flow.

Councilor Lyon motioned to adopt Resolution No. 2612, A Resolution Authorizing Application for a Regional Infrastructure Fund Grant from Business Oregon for the Well 10 Completion Project. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2613, TRANSFER FUNDS DUE TO UNFORESEEN REVENUES AND EXPENDITURES

Finance Director Laurie Bubar presented Resolution No. 2613 for $95,000 in secured tennis court funding, consisting of a $20,000 grant from the Wildhorse Foundation of the Confederated Tribes of the Umatilla Indian Reservation and a $75,000 grant from Sherwood Trust.

Councilor Koklich asked what other funding was there for the project.

Patten noted a grant commitment of $20,000 was just approved by council which was from the Milton-Freewater Area Foundation. He stated there was a legislative change reducing the state required match from 40% to 7%, allowing the city to request additional funding. The project will depend on funding and contract execution and if all goes as planned, the project could likely start January/February of 2027.

Councilor Jensen motioned to adopt Resolution No. 2613, Resolution to Make Appropriations due to Unforeseen Revenues and Expenditures. Councilor Mendez seconded the motion which passed unanimously.

AUTHORIZATION TO HIRE AN EMERGENCY COMMUNICATION SPECIALIST ON AN "ON-CALL" BASIS

Police Chief Joe Shurtz requested to hire former employee Debra Stack as an on-call emergency communications specialist at Step E, her departure pay rate, to cover shifts and reduce overtime costs. He reported Debra Stack, who resigned in March, maintains all active certifications and will receive no benefits other than state-mandated pro-rated sick leave.

Councilor Lyon motioned to authorize the Interim City Manager to sign a personnel action form approving the hiring of Debra Stack on an on-call basis as an Emergency Communication Specialist. Councilor Jensen seconded the motion which passed unanimously.

CITY MANAGER CONTRACT NEGOTIATIONS/CITY ATTORNEY

City Recorder/Interim City Manager Leanne Steadman reported that Aaron Palmquist accepted the city manager position contingent upon a mutually agreed upon contract. He has requested to negotiate with the City's Attorney.

Councilor Irving stated he believed that was a good idea, he suggested the Mayor to sit in on the negotiations.

Councilor Koklich suggested that Human Resources (HR) be involved with the contract.

A brief discussion ensued regarding what transpired with the previous candidate and contract.

Mayor Odman explained that perhaps there was some miscommunication on his part with the city attorney that he needed to negotiate directly with the candidate. The attorney developed the contract, HR processed a conditional offer letter which initiated the background check. All of this took approximately three weeks to complete. He stated he wanted everyone to be aware of that. He offered to help with the process. He suggested that HR be involved and that at least one counselor also be involved with the rest of the council being updated.

Councilor Koklich stated he also recommended that HR be involved in keeping council updated and keeping things moving along.

Councilor Jensen stated she believed they needed to backtrack. She stated she was not confident in the current contract process. That they needed to take advantage of Leanne Steadman being interim for the next six months. She recommended putting out for bid for a permanent city attorney, since the current one is an interim. She stated they needed to create an ironclad contract that they're all confident in for a new city manager to get onboard. She stated she believed this process had been rushed after what happened with the last candidate. Then she suggested doing a recruitment with in-house staff and that it would save the city a lot of money and that she personally didn't think most of the citizens were confident in the process that they were doing or in the person that they were trying to put into that position.

Public Works Assistant/Project Aide Krista Gannon recommended the council use the city's labor law attorney.

Steadman reminded the council that they have already offered the position, presented a contract and the candidate has accepted based on a mutually agreed upon contract.

A brief discussion ensued around the process of how negotiations will transpire.

Councilor Lyon expressed his frustration about how the previous contract was handled with the previous potential candidate. He then recommended there be a negotiating team.

Steadman explained the final draft agreement would need to come back to the council and be formally adopted in an open public meeting.

Councilor Lyon motioned to appoint Mayor Mike Odman, Councilor Destiny Jensen, Councilor Wes Koklich and Human Resource Officer Wendi Daughterty as the negotiating team to work with the City Attorney. Councilor Mendez seconded the motion which passed unanimously.

Mayor Odman asked who was going to take the lead on the agreement.

Councilor Lyon stated that the Interim City Manager could do that.

Steadman stated she was not part of the negotiating team and as the motion was, would not be part of that.

Councilor Lyon made a motion to reconsider the previous motion. Councilor Jensen seconded the motion which passed unanimously.

Councilor Lyon motioned to appoint Mayor Mike Odman, Councilor Destiny Jensen, Councilor Wes Koklich, Human Resource Officer Wendi Daughterty and City Recorder/Interim City Manager Leanne Steadman as the negotiating team to work with the City Attorney on Aaron Palmquist's agreement. Councilor Mendez seconded the motion which passed unanimously.

AUTHORIZATION TO PURCHASE (2) BACKHOES AS APPROVED IN THE FISCAL YEAR 2027 BUDGET

Public Works Assistant/Project Aide Krista Gannon and Lead Mechanic Bryon Carson presented a request to purchase two lightly used 2024 Case 580 SN cab backhoes. The Fiscal Year 2027 budget approves the replacement of two outdated backhoes that have surpassed their service life: a 2005 model used by the electric department, 3,474 hours and a 2011 model used by public works 3,117 hours. Maintenance costs for both machines have escalated significantly over the last five years, excluding fuel costs. The electric department backhoe recently required troubleshooting for electrical issues, while the public works backhoe suffers from ongoing hydraulic valve failures and contamination, including a large piece of plastic debris found in the system, which indicates the cylinders likely need an expensive overhaul if retained. To replace them, the city is shifting from John Deere to Case models, a change accepted by both operations crews. Instead of purchasing new units budgeted at $150,000 each, the city has sourced two slightly used dealer-demonstration models with extremely low usage of just 16.8 hours and 57 hours, respectively. These demo units cost $104,500 apiece, providing major budget savings. While they do not qualify for a standard new-equipment warranty because of their demo status, they will be secured with an add-on, 48-month or 2,000-hour extended used-equipment warranty. Additionally, an amended request ensures these replacement units will come installed with a hydraulic thumb for operations instead of a mechanical clamp. Next steps regarding the disposal or sale of the old backhoes will be addressed in the next agenda item.

Councilor Irving stated he could see the cost savings in this purchase verses purchasing new. With the surplus sale of the two old vehicles estimated anywhere from $40,000 to $60,000.

Councilor Koklich asked about the hydraulic thumb and what the warranty covered. He also asked if vehicle books would be included because otherwise you have to buy them online for around $300 or purchase a subscription.

A brief discussion ensued.

Councilor Lyon motioned to approve the purchase of two 2024 Case 580 SV CAB Backhoes for $104,500 each, plus the additional extended warranty for 48 months and/or 2000-hours which ever comes first for $7,875 each, plus the addition of a hoe clamp thumb on each, installed in the amount of $9,911 each, for a total purchase price of $122,286 each, delivered to the city shop at 501 Lamb Street. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2614 DECLARING EQUIPMENT SURPLUS

Public Works Assistant/Project Aide Krista Gannon presented Resolution No. 2614 to declare surplus equipment, including the replaced backhoes, a police Tahoe, a van, a Toro turf sweeper, and a 2020 Dodge Durango with a blown engine.

A brief discussion ensued regarding salvage, online auction options via GovDeals.

Councilor Jensen suggested utilizing a local towing company.

Councilor Koklich asked what percentage GovDeals took from the sale.

Kenny Jenkins noted 10% but the buyer pays the 10% commission, so the seller gets all the funds.

Councilor Lyon motioned to adopt Resolution No. 2614, a Resolution Declaring Property to be Surplus as outlined on "Exhibit A". Councilor Jensen seconded the motion which passed unanimously.

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

Ryan Westman, 202 SE 7th - asked about secured grant totals that Steven Patten has written while employed at the city.

Patten stated he has secured over $2,000,000 in career grants with an additional $2,000,000 in outstanding applications.

Mayor Odman and Councilor Jensen thanked Patten.

Megan Hoel, local business owner, 915 S Main Street – (in summary) expressed concerns and urged the mayor and council to delay hiring Aaron Palmquist as the new city manager until a comprehensive, independent background investigation was completed. She questioned why the council is bypassing the second and third place candidates to hire Palmquist, who finished fourth among the finalists, and why there are reports of offering him higher compensation than the more experienced first-choice candidate who withdrew. She highlighted documented red flags from her own research, including a 2004 firing in Monroe over alleged financial mismanagement and a 2019 police investigation into an altercation in Irrigon, Oregon, alongside verified negative feedback from former elected officials and public employees regarding his management style. Emphasizing that the city manager oversees the entire municipal organization, she argued that the position demands the same rigorous due diligence background process given to police officers and dispatchers. She pointed out that the city is currently stable under interim city manager Leanne Steadman, giving the council ample time to prioritize a thorough, verified search over a rushed decision.

Mayor Odman clarified Palmquist was not fourth.

Councilor Lyon asserted community cards ranked him second.

Councilor Koklich stated he believed there are several factors in place, comparing regional manager openings in College Place, up to $175,000 and Walla Walla, up to $187,000.

Councilor Jensen noted La Grande recently hired a manager for $150,000 and argued Milton-Freewater should not exceed this.

Steadman clarified the scope of the SGR background check on Palmquist was the same process as the previous candidate and included educational, criminal, and credit checks.

David Prock, 704 College Street - expressed frustration with the city council's handling of the city manager search, pointing out that thousands of dollars had already been paid to the recruiting firm SGR to produce four excellent candidates. He criticized the council's sudden shift toward creating a new committee and attempting to alter standard contract terms, noting that such backtracking would cause candidates to walk away from the position. He highlighted that a standard city manager agreement—citing examples from Oregon legal standards—typically includes a six-month severance package, arguing that no qualified professional would leave a long-term job only to face insecure contract terms from the council. He concluded by warning that the council's indecisiveness is effectively forcing the application process to start completely over, and he questioned whether SGR is currently conducting a background check on candidate Aaron Palmquist. He recommended waiting to see what the results of that were.

Tim Sanchez, 102 S. Main - inquired about financial backup plans without grants given recent utility rate increases. He asked what the plan was to stop living grant to grant.

Councilor Koklich stated grants were something to take advantage of and they help off set the enterprise funds.

A brief discussion ensued.

Luis Campos, Assistant Public Works Director for Boardman, spoke in support of Palmquist, and recalled cooperative work between Boardman and Irrigon over nine years.

MANAGER'S REPORT

Steadman reported she distributed the updated (June 2026) Oregon Government Ethics Commission guide for public officials, announced the Guns and Hoses charity softball game between the police and fire departments scheduled for August 22, 2026 was to raise funds for Shop with a Cop, discussed potential relocation of council chambers to the city hall basement, which has a security camera and panic button, to improve acoustics and setup, and she reported on the field scoreboard project.

COUNCIL ANNOUNCEMENTS

Councilor Irving urged for community support for the city manager candidate.

There being no further business, the meeting was adjourned at 9:27 p.m.

Adopted September 14, 2026

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~~Mike Odman, Mayor~~
Steve Irving, Council President