

**CITY OF MERRILL**  
**BUDGET HEARING**  
and  
**REGULAR BUSINESS MEETING**  
Tuesday, June 14, 2022 6:00 P.M.

**MEETING CALLED TO ORDER:**

Mayor Carlson called the Tuesday, June 14, 2022 Budget Hearing and Business Meeting to order at 6:00 p.m.

**ROLL CALL:**

Roll call was taken with the following members of Council and others being present: Councilor Johnson, Councilor Gatliff, Councilor Baley, Councilor McCollam, Mayor Carlson, and City Recorder Hernandez.

**FLAG SALUTE:**

The Flag Salute immediately followed with Mayor Carlson requesting Councilor Gatliff to take the lead.

**MAYOR STATEMENT:**

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

**PUBLIC COMMENT:**

Mayor Pro-Tem Carleton 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.

Rafael Hernandez (Lost River High School FBLA Advisor): Mr. Hernandez introduced self as a teacher at Lost River Junior/Senior High School and FBLA advisor at Lost River Junior/Senior High School. Mr. Hernandez discussed FBLA's goals and objectives at the May 10, 2022, City Council Meeting. FBLA is a co-curricular program where students learn to become business leaders through competitive events. COVID effected the program. For the 2021-2022 year, Lost River Students qualified for state competition in Portland, Oregon. Twenty-three students qualified for nationals to be held in Chicago, Illinois. Mr. Hernandez expanded upon the effects of COVID, such as the student store being closed between classes. FBLA has sold taco dinners and sold tamales to raise money. Mr. Hernandez thanked City Council for past support. Lost River Junior/Senior High School is the largest chapter in the State of Oregon. Mr. Hernandez sought donations from City Council. Mr. Hernandez stated FBLA Members can promote, work, or perform community service, which is also promoted by Lost River Jr. Sr. High School. 40 hours of community service is required to graduate. Four FBLA members received the Ford Family Foundation Scholarship who had over 2,000 hours of community service. FBLA desires real life applications. Mr. Hernandez introduced Chapter Officer Giovanni Lopez who handles social media. FBLA Can be followed on Instagram or Facebook; Secretary Jasmine Cobian (Sophomore); and upcoming State Officer Amari Hernandez (Seventh Grade). Amari Hernandez became a member to be "out of comfort zone". Giovanni Lopez became a member as a safe space and to learn public speaking. Jasmine Hernandez became a member for opportunities. As a minority in a rural community, member strive in the Business Program, public speaking, and navigating various scenarios in life.

**OATH OF OFFICE:**

- Position #1 Oath of Office: Mayor Carlson swore Councilor Gatliff into office:
- "I, Kallie Gatliff, do solemnly swear I will uphold the Constitution of the United States of America; the State of Oregon; the City Charter and Ordinances of the City of Merrill; and I will, to the best of my ability, honestly, faithfully, and lawfully perform the duties of City Councilor for City of Merrill, so help me God."

**BUDGET HEARING:**

- Approve Budget Appropriations (Resolution 2022-890): City Recorder Hernandez read Resolution 2022-890 into the record and read the General Fund, Street Fund, and Enterprise Fund Appropriations, Unappropriated Reserves, and Unappropriated Ending Fund Balances for a Total Budget Appropriation, of

all funds, for the Fiscal Year 2022-2023, \$3,857,037; Total Unappropriated and Reserve Amount in all funds \$886,153; Total Adopted Budget for the Fiscal Year in the amount of \$4,473,190 as approved by the Budget Committee. Councilor Johnson made a motion to approve Resolution 2022-890. Councilor Gatliff 2<sup>nd</sup> the motion. The motion passed 4-0 in favor.

- Approve Tax Rate (Resolution 2022-890): City Recorder Hernandez read Resolution 2022-890 into the record by imposing and categorizing property taxes at the permanent tax rate of \$3.1210/\$1,000. Councilor Johnson made a motion to approve Resolution 2022-890. Councilor Gatliff 2<sup>nd</sup> the motion. The motion passed 4-0 in favor.
- Ordinance/Resolution Declaring the City's Election to Receive State Revenues (Resolution 2022-891): City Recorder Hernandez read Resolution 2022-891 into the record. Councilor Johnson made a motion to approve Resolution 2022-890. Councilor Gatliff 2<sup>nd</sup> the motion. The motion passed 4-0 in favor.

#### **CONSENT AGENDA:**

- **Meeting Minutes:**  
May 10, 2022 Meeting Minutes: Councilor Johnson made a motion to approve the entire consent agenda. Councilor McCollam 2<sup>nd</sup> the motion. The motion passed 4-0 in favor.  
May 19, 2022 Special City Council Meeting Minutes: *Refer to Meeting Minutes for motion.*
- **Phone Poll:**
- **Business License Renewals:**
- **Business Licenses:**  
Southwestern Advantage Weekday Business License  
Chris O'Grady Business and Rental License  
Novedades Alexa Business License  
Terry Naylor Weekend Business License  
Drew and Melissa Heaton Rental Business License  
*Refer to Meeting Minutes for motion.*
- **Accounts Payable:**  
May 2022 Account Payables: *Refer to meeting minutes for motion.*  
May 2022 Water Transfer: *Refer to meeting minutes for motion.*

#### **STAFF REPORTS:**

- **Police:**
  - Report: *Refer to Discuss Disbanding Police Department Due to Finances and Policy.*
- **Public Works:**
  - Public Works Director Matthews submitted report and read: Checked lifts; well level is 78 foot with pump running; completed and submitted Discharge Monitoring Report; hung pink tags; performed nine locates; allowed outside dumping, which has resulted in approximately \$97,000.00 to date; cleaned restrooms; cleaned at lagoon; cleaned shop; fixed four sewer plugs; worked on Fourth Street Lift Station; worked on Polk Street and Willow Street Lift Station; rebuilt mower; met with Oregon Department of Transportation (ODOT) in regards to Falvey Reconstruction Project; wrote monthly article for newsletter; Klamath County cracked sealed and will chip two miles at a later date (thanked Klamath County Commissioners and Public Works Director Jeremy Morris); piled brush, loaded limbs, and burned; held clean-up day; sprayed weeds; painted and prepared City Hall siding; hung flowers baskets and reconnected watering system ( a basket was stolen); consulted with City Engineer Darryl Anderson and City Attorney Nathan Ratliff on Swisher Road Annexation; Swisher Road Residents are receptive to annexation with a triple majority; Bob's Excavation potholed for water lines for Curb Ramp Project; tested for CEU's for Wastewater Collections and Treatment Level 2; and a meeting will be held Tuesday, June 21, 2022, for the first Neighborhood Watch at 6:00 p.m. Malin Police Department was invited. Public Works Director Matthews discussed the Falvey Road Reconfiguration Project with a visual from ODOT.
- **City Recorder:**

- City Recorder Hernandez submitted report and read: Continuing Oregon Department of Transportation Grant Part 2; ODOT Scoping Meeting; Reviewing General Journal for Tear End Compliance and Accuracy; Records Maintenance; SAMS Renewal for Lost River Arts and Cultural Alliance; Rural Klamath Connects Meeting; Traffic Logix Meeting in Coordination with ODOT Communications; Budget Meeting #1 and #2; Business Oregon \$275,000 ARPA Application; Designed RKC Publication; Hosted Merrill Elementary; and other administrative duties.
- **Lawyer:**
  - Report: Mayor Carlson has been in regular contact with City Attorney Nathan Ratliff regarding personnel issues.
- **Code Enforcement:**
  - Councilor Baley thanked City Clerk Northcutt for the clerical aspect of Code Enforcement. City Clerk Northcutt performs clerical duties and Code Enforcement Commissioner Baley enforces the abatements. Mayor Carlson and Code Enforcement Commissioner Baley discussed notices and fines.
- **Planning:**
  - Report: City Clerk Northcutt reported on the Planning Commission Meeting held June 6, 2022. El Jefe's Drive-thru was discussed. There were safety concerns due to traffic congestion and lack of directional markings (painted). The Planning Commission determined, for the best interest of the City, the window may only be pedestrian order and pick-up. Pappy Gander's has started a project without City approval. Residents at 179 E Court Drive are requested to amend a site plan regarding a fence. Klamath County Code Enforcement approached the City in regard to a carport without proper building permits through Klamath County. The resident has been notified. Mayor Carlson inquired to designating a City Counselor to the Planning Commission with Councilor Carleton's departure. City Clerk Northcutt stated Commissioner Gatliff was appointed to the Planning Commission prior to City Council appointment.

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

- Public Works Director Matthews reported Lost River Arts and Cultural Alliance presented the first annual scholarship to Michael Howard at the Awards Banquet at Lost River High School. The Merrill Historical Society presented a graduation present to Johana Hernandez who City Recorder Hernandez mentored for the Merrill Historical and Modoc War Museum. Lost River Bluegrass Festival is in full swing with 28 sponsors. Public Works Director Matthews travelled through northern California to hang posters. Tiny Mighty and Strong will provide activities for the children. Public Works Director Matthews stressed the free Thursday night show, July 7, 2022, with a performance by The Western Flyers featuring Redd Volkaert, swing dancing, and promotion by KLAD. The Merrill Historical Society, in partnership with the Merrill Lion's Club, hosted a circus. The Merrill Historical Society purchased over \$600.00 of circus tickets for children and parents. The Merrill Historical Society hosted a Walking Tour Saturday, June 4, 2022, with a dozen members of the Klamath County Historical Society. Public Works Director Matthews thanked Utility Worker Roman Vazquez and his wife, Maria for their contribution to the event.

#### **NEW BUSINESS:**

- Discuss Basin Transit Service Program Implementation: Kraig Johnston, Operational Manager for Basin Transit, and Mike Stenson, former General Manager and currently Finance Manager for Basin Transit, introduced selves to the City Council. A new Public Transportation program for Klamath Basin was introduced. In 2017, the Oregon Legislature passed HB2017, which created a new State Transportation Fund for Transit. The intent of the bill was to provide funding to maintain current transit service and new transit service with focus on seniors, individuals with disabilities, low income, and the general public. The intercommunity transit system will provide transportation to Klamath Falls to connect riders with health care, pharmacies, government services, grocery and other shopping opportunities, friends and family, and community events. The payroll transit tax now provides sufficient revenue for Basin Transit Service to provide sustainable transit service outside the boundary of Basin Transit Service Transportation District.

Basin Transit Service has received three of four buses order, which were delayed for 18 months due to the pandemic. Basin Transit Service is anticipating implementing the program August 2022. A schedule for City of Merrill and following communities was submitted to City Council. The service is free to all riders. Riders will receive a day pass to ride the regular Basin Transit Service at no charge once in Klamath Falls. Seniors and persons with disabilities can make application for Para Transit Service once in Klamath Falls. Riders wishing to receive rider training will be able to request training for fixed route, paratransit, and intercommunity transit services. Basin Transit Service will conduct community outreach events to provide riders with information in regard to transit services, route schedules, rider etiquette, and other information riders may need to know. Tentatively, the service route will be Tuesdays and Thursdays. Councilor Baley questioned the number of stops within City of Merrill. Mike Stenson stated the intent is to connect communities. Basin Transit Service suggested the Veteran's and POW Park near the Civic Center and a stop on the opposite side. City Recorder Hernandez questioned whether an application has been submitted to Oregon Department of Transportation, which will be required for signage. The City of Merrill will also have major construction commencing August 2022 on Front Street. Due to the impact, a temporary location at 301 E Second Street was discussed. Basin Transit Service will seek a permanent location and temporary location. No objection from City Council followed. Public Works Director Matthews inquired to the number of seatings. Kraig Johnston stated 31 with 2 for wheelchair accessibility. Resident Cindy Taylor inquired to the funding for free service. HB2017 was reiterated. The service is estimated to cost \$160,000-\$180,000 annually. Councilor Johnson inquired to publications to inform residents or to add to the City of Merrill newsletter. The draft stage is in process but should be completed June 30, 2022. Notifications should be released August 1, 2022. Basin Transit Mobility Outreach should be in contact for events.

- Pourhorse Cantina Liquor License Application: The OLCC Application was presented to City Council. There were no objections to approving the application.
- Approve Property and/or Liability Summary: City Recorder Hernandez submitted the Property and/or Liability Summary authorization and approval \$39,590.41. Mayor Carlson sought confirmation that the insurance increased from prior year. City Recorder Hernandez affirmed. Mayor Carlson inquired whether CIS is the sole insurance provider. City Recorder Hernandez stated CIS specializes in City and County insurance and pools all entities to allow cost effectiveness for smaller communities. Great Basin Insurance, whom is the City's liaison with CIS, recommended the company due to cost effectiveness. The underwriter is CIS with the local representative is Great Basin Insurance, Daneen Dail. City Council authorized Mayor Carlson to sign the Property and/or Liability Summary with the understanding that City Council will consult Representative Daneen Dail or other economical options for FY 2023-2024.
- Discuss Bulk Water Delivery Fees: There will not be a State of Oregon Contract. Rhonda Nyseth communicated to City Recorder Hernandez that a contract would take five months to draw-up. The City of Merrill does not have the equipment to measure water and neither do the delivery drivers. The Dry Well Program is asking the City of Merrill to charge per load versus gallons for auditing purposes. The recommendation of Public Works is \$20.00 per load for the Dry Well Program only. Discussion ensued. The City Council consensus was \$20.00 per load for the Dry Well Program only with a 3,000 gallon maximum delivery and past invoice due in full.
- Lost River FBLA Donation (Solar Fund): City Recorder Hernandez stated after reviewing the Water Sewer Fund, funding is unavailable; however, the City of Merrill recommends granting Future Business Leaders of America (FBLA) Lost River Chapter \$1,000.00 versus \$500.00 from Oregon Community Foundation. Also, the City of Merrill recommends \$500.00 for Lost River Jr. Sr. High School graduation class of 2023. The class will be fundraising at the July 4<sup>th</sup> Malin Car Show, but the class has been unable to fundraise the last two years due to COVID. The class is seeking to raise \$1,500-\$3,000 for graduation expenses. Councilor Johnson made a motion to approve the recommendation. Councilor McCollam 2<sup>nd</sup> the motion. The motion passed 4-0.
- Lost River Class of 2023 Donation (Solar Fund): Refer to Lost River FBLA Donation (Solar Fund).
- Vector Control 2023-2025 Proposal: City Recorder Hernandez stated the Vector Control 2023-2025 is higher than what was presented to the Budget Committee. The proposal before the Budget Committee was an amendment to the current contract of \$4,125.00. City Council determined the increase was 10%. City Council approved Vector Control 2023-2025 Proposal.
- Pitney Bowes Lease Renewal: City Recorder stated the Pitney Bowes Lease Renewal is a decrease from the current lease, and the machinery will be upgraded. City Council approved Pitney Bowes Lease Renewal.

- Water Line Improvements (ARPA) \$275,000: Representative Reschke obtained \$275,000.00 ARPA funds for the City of Merrill. Swisher Road, Fourth Street extension, and the alley next to City Hall, and Willow Street water improvements are all eligible projects under one heading. Public Works Director Matthews sought clarification that the \$94,000.00 ARPA funds are dedicated. The annual reporting for the ARPA funds were due April 30, 2022. The City Council decided to dedicate the funds for water sewer infrastructure and move forward with the design phase of the project. The \$275,000.000 is specific to Water Line Improvements. If the Swisher Road Project is incorporated into the Business Oregon portion, then the City of Merrill needs to determine another project for the \$94,000.00. There is more flexibility to use the funds, such as: water meters, lifts stations improvements, and the like. The funds are dedicated to water and sewer infrastructure as City Council locked the funds into the category during the April 12, 2022, City Council Meeting. The funds can no longer be used for revenue loss. Mayor Carlson stated the annexation could potentially be next month and questioned whether the fund would be placed on hold until
- Update on Swisher Road Annexation: Swisher Road can be annexed with a triple majority. City of Merrill Engineer Darryl Anderson and City Attorney Ratliff are in the process of creating legal documentation for the annexation. Mayor Carlson questioned whether a vote was not required with a triple majority. Public Works Director Matthews affirmed. Mayor Carlson inquired whether the City of Merrill is signing contracts before the annexation is legally completed. Public Works Director Matthews stated the City of Merrill has the \$275,000.00 in ARPA funding. Mayor Carlson stated City Council approved the engineering and inquired whether the City of Merrill committed to purchasing supplies for the project. Discussion of funding the Swisher Road project, annexation, and ARPA reporting ensued. Resident Mel Nowak commented that the residents on Swisher Road will pay City taxes and all the residents receive in return is a water bill. Public Works Director Matthews stated the residents benefit from water. The residents will receive City water, eventually City sewer, street maintenance, mosquito abatement, and more. The residents will receive a water bill for the service of water. Resident Mel Nowak stated the City's expectation is sewer. Public Works Director Matthews affirmed in the future. Resident Mel Nowak stated sewer is another cost to the residents. Public Works Director Matthews stated residents will be required to transition when septic fails. Discussion of City taxes ensued. Public Works Director Matthews stated the City of Merrill may want to reconsider the project in the event annexation falls through. The City Council needs to decide sooner rather than later whether to continue the project. The City has already expended thousands of dollars and the ARPA funds are not allowed to be utilized for an incomplete project. Mayor Carlson inquired whether the City of Merrill desired to postpone the project before the annexation is completed. The consensus of the City Council was to proceed forward. Discussion of rumors and resolutions ensued. Resident Gary Robeson stated the City of Merrill needs signatures first.
- Discuss Disbanding Police Department Due to Finances and Policy: The City of Merrill has been advised to resolve personnel issues prior before policy changes. Tonight, is limited to informal discussion to allow the process to play out. A Special Meeting may be agendized in a couple of weeks. Discussion about Special Meeting or Executive Session briefly ensued. Marshal Broussard introduced Officer Lynn Doddridge and Officer Hoy. Marshal Broussard reported policing City of Merrill for approximately one month. Malin Police Department has made arrests, issued traffic citations, proactive narcotic and DUII policing. City of Merrill residents are calling Malin Police Department for service. Marshal Broussard reported communications with Police Commissioner Baley. Officer Hoy reiterated Marshal Broussard's report. Offer Hoy responded to the motel twice in the past week. There has been an escalation of criminal activity, not only in this area, but across the nation. Everyone needs to be more vigilant. Officer Hoy highlighted the importance of security systems and advanced technology for today's crimes, such as committed at the motel. Officer Hoy stated reaching a mutual agreement until the Merrill Police Department is functional. Marshal Broussard works with local businesses and business owners. Public Works Director Matthews opined the numerous patrols and timely response from Malin Police Department. Resident Cindy Taylor praised Marshal Broussard for immediate response to calls over the years, which is the necessity for small town law enforcement. Businesses need to be check on and patrol to ensure resident safety. Business owners making deposits are vulnerable. Children should be able to approach an officer and feel safe. Public Works reported holding a Neighborhood Watch Meeting Tuesday, June 21, 2022, at 6:00 p.m. and stated controversy from law enforcement. Officer Hoy stated attending. Councilor Baley stated City of Malin Police Department has been doing an excellent job and thanked the officers.
- Code Enforcement Pay Schedule: Tabled.

**OLD BUSINESS:**

- State of Oregon Contract: There will not be a contract with the State of Oregon due to creation time.
- FEMA Appeal Update: City Recorder read Risk MAP Project Quarterly Report for Klamath County into the record: "The submittal acknowledgement letters were mailed to the City of Klamath Falls and City of Merrill on February 2, 2022. An additional data request was sent to the City of Klamath Falls on February 22, 2022, to request the digital survey files that created the PDF that was received during the appeal period. The digital survey files were received on February 22, 2022. The review of the submitted materials was completed March 4, 2022. The update to the draft Flood Insurance Rate Map (FIRM) Database started on April 1, 2022." The email describes future steps in the appeal process. Mayor Carlson inquired whether the City of Merrill should contact City Engineer Mark Miller about the appeal. City Recorder Hernandez read another portion of the email stating data concerning Lost River was being reviewed.
- Organizational Structure for Code Enforcement: Tabled.
- Municipal Speed Control Update: ORS 810.438 allows only certain jurisdictions to operate photo radar and City of Merrill is ineligible.
- Discuss Redesignation of ARPA Fund Project: The City of Merrill approved the Swisher Road Project for the \$94,000.00 ARPA funds; therefore, transitioning the project to the \$275,000.00 ARPA funds, the City of Merrill needs to approve a different water sewer project. Councilor Johnson inquired to examples of projects. City Recorder Hernandez stated digital water meters that would require new accounting software to support the program, upgrade the sewer lift stations, etc. Councilor McCollam stated Public Works Director Matthews has a laundry list of water sewer projects. Public Works Director Matthews expanded upon the digital meters. Councilor Johnson inquired to cost. Public Works Director Matthews thought \$200.00 per meter.

#### **ORDINANCES:**

#### **RESOLUTIONS:**

- Resolution 2022-887 Transfer Funds to Comply with Budget Law: City Recorder Hernandez read Resolution 2022-877 Transfer Funds to Comply with Budget Law into the record by title. City Council reviewed the Resolution. Councilor McCollam made a motion to approve Resolution 2022-877. Councilor Baley 2<sup>nd</sup> the motion. The motion passed 4-0 in favor.
- Resolution 2022-892 Amend City Council Meetings; Tame and Places: City Recorder Hernandez read Resolution 2022-892 into the record. Councilor Gatliff made a motion to approve Resolution 2022-892. Councilor Baley 2<sup>nd</sup> the motion. The motion passed 4-0 in favor.
- Resolution 2022-893 Amend Minimum Water Main Size for the City of Merrill: City Recorder Hernandez read Resolution 2022-893 into the record. Councilor Johnson made a motion to approve Resolution 2022-893. Councilor Gatliff 2<sup>nd</sup> the motion. The motion passed 4-0 in favor.
- Resolution 2022-894 Transfer Funds to Comply with Budget Law: City Recorder Hernandez read Resolution 2022-894 Transfer Funds to Comply with Budget Law into the record by title. Councilor Gatliff made a motion to approve Resolution 2022-894. Councilor McCollam 2<sup>nd</sup> the motion. The motion passed 4-0 in favor.
- Resolution 2022-895 Adopt Code Enforcement Officer Job Description: Tabled.

#### **OTHER-FUTURE AGENDAS:**

- Appoint Water Commissioner
- Solar Ordinance Discussion

#### **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.

Gary Robeson (405 Water Street): Resident Gary Robeson stated having questions about the Swisher Road Annexation. Water will be provided with the available \$275,000.00. Resident Gary Robeson reiterated previous discussions located in *Update Swisher Road Annexation*; however, Resident Gary Robeson stated the City needs to set a date. Resident Gary Robeson inquired whether a sewer line already exists or will a line be installed.

Public Works Director Matthews stated a line will be installed in the future.

Gary Robeson (405 Water Street): Resident Gary Robeson sought confirmation that the City of Merrill would be obligated to provide sewer.

Mayor Carlson stated if there is an existing sewer within 200 feet of the residents, the resident is obligated to tie into the municipal sewer upon the failure of a septic tank. Mayor Carlson stated municipal sewer is non-existent on Swisher Road.

Public Works Director Matthews stated the benefits of installing sewer and detailed the design leading to the lagoon.

Public Works Director Matthews announced the passing of Shirley Hill the morning of June 14, 2022.

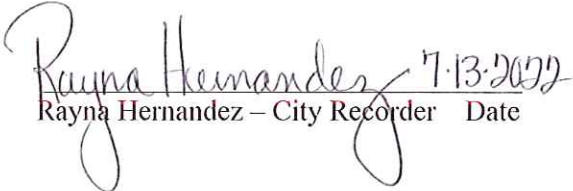
**ADJOURN MEETING:**

Councilor Baley made a motion to adjourn the June 14, 2022 Meeting. Councilor Gatliff 2<sup>nd</sup> the motion. With all in favor, the meeting adjourned at 7:47 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Bill Carlson - Mayor

13-JUN-22  
Date

  
\_\_\_\_\_  
Rayna Hernandez - City Recorder Date

Folder A #28