



# CITY COUNCIL

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## Work Session Meeting Minutes August 28, 2023

Mayor Drotzmann called the regular meeting to order at 6:00pm. Present were Councilors Primmer, Duron, Linton (arrived at 6:07pm), Hardin, McCarthy, and Peterson. Councilor Myers and Barron were excused. In attendance was City Staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Planning Director Clint Spencer, Finance Director Mark Krawczyk, and City Recorder Lilly Alarcon-Strong.

### **Utility, Franchise, Water, & Sewer Fees**

City Manager Smith stated the City Council tasked staff to present them with detailed information regarding specific department budgets and gathering potential future revenue findings; these items have already begun being presented during previous work sessions to include the Airport, Police Department, Library, and more, and will continue until all departments have been reviewed through the end of the year. City Manager Smith presented information (PowerPoint presentation attached) regarding general fund department reviews general fund department reviews; possible future revenue streams to include: utility fees, franchise fees to water and sewer services, stormwater fees, business licenses, Police or Parks and Recreation fee, and more.

City Manager Smith stated other like cities are being surveyed with their fee schedules to better help the City determine what similar sized cities have or will be implementing to offset costs of a growing community. Some responses have already been received giving different perspectives on how they collect fees, ie: flat vs tiered across groups that are impacted differently, ie: residential vs commercial.

There was some Council discussion regarding what fees they felt should not be considered moving forward, as well as a reminder among themselves that staff was instructed to gather many different possible revenue sources and none of these items should be dismissed until all budget information has been presented and the Council is being asked to decide.

### **Adjournment**

Mayor Drotzmann adjourned the work session meeting at 6:37pm and stated the Council will take a short break before starting the regular City Council meeting at 7:00pm.




## Budget - Revenues

August 28, 2023




## Budget Review Recap

- General Fund Department Reviews
  - Police, Library Complete
  - Remainder to Come
- Possible Revenue Reviews
  - Tonight
    - Utility Fees
    - Franchise Fee on Water/Sewer
    - TRT past - More to come
- Bring Revenues/Expenditures Together




## Possible Revenue Sources

- Utility Fees (based on 2021 LOC survey)
  - 67 different cities have some type of fee
    - Police, Parks and Recreation, Fire, Streets and Streetlights, Library, Surface Water Management, most common (Police)
    - Range from Echo to Beaverton
    - Amounts not recorded
  - Response to the Limited Local Impact on Property Taxes



## Hermiston

- Approximately 6000 utility accounts
- \$1 fee generates \$72,000 annually
- Stanfield's Police Utility Fee is \$8.50 per month; Pendleton – \$12.85 and up/split between street and public safety
- Could be a Police or Parks and Recreation Fee?
- Could be a Stormwater Fee that also reduces the amount of Franchise Fees going to the Street Fund?
- Flat vs. Tiered across groups that are affected differently



## Possible Revenue Sources

- Franchise Fee on Water/Sewer
  - Currently Charge all other Utilities but not Water/Sewer
    - 7% Electric
    - 5% Telecommunications
  - Resolution 2075 (2017) Dedicates 1/3 of all Franchise Fees to the Street Department
    - This was a way to inject funding into our street program



## Hermiston

- Approximate annual water/sewer revenue - \$10,250,000
- 1% Fee generates \$102,500 annually
- Affects accounts proportional to their bill
- Could Res. 2075 be superseded with a new resolution with 15% or 20%?
- When Amazon Campuses come online our electric franchise fees will increase dramatically.



DISCUSSION!

QUESTIONS?

Thank You!

*Where Life is Sweet*