



# CITY COUNCIL

## Special Town Hall Meeting Minutes November 27, 2023

Mayor Drotzmann called the special town hall meeting to order at 6:00pm. Present were Councilors Primmer, Hardin, Peterson, Barron, Duron, Linton, McCarthy, and Myers. Municipal Court Judge Bendixsen was in attendance, as well as City Staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, Finance Director Mark Krawczyk, City Attorney Rich Tovey, Chief Edmiston, Planning Director Clint Spencer, Parks and Recreation Director Brandon Artz, Court Administrator Jillian Viles (arrived at 6:02pm), Library Director Mark Rose, Hermiston Energy Services General Manager Nate Rivera, IT Support Specialist Tony Ficenec, and City Recorder Lilly Alarcon-Strong. Youth Advisors Jeannine Heredia and Yaneisy Perez were also present.

Mayor Drotzmann announced, and Councilor Duron translated that Hispanic Advisory Committee members Jessica De La Cruz and Jesse Roa were stationed in Council Chambers and the foyer area for individuals who needed Spanish translation services.

Mayor Drotzmann thanked all those in attendance stating that the City is seeking public feedback and recommendations for the City's 2024 Budget that the City has been discussing for the last six months.

### **Updating the City's Budget for 2024**

City Manager Smith presented information (PowerPoint Presentation attached) regarding: the budget gap including Measures 5 and 50, department operations, budget review and adoption process, public outreach efforts both in person and with online surveys regarding City services, possible budget changes, and more.

### **Public Input**

Deloris Veliz, Hermiston- Asked that the City consider sending the survey out in utility bills, asked for clarification on information presented about Amazon and Public Safety Fees, stated a \$5.00 increase on garbage fees would be ideal but other increases would be hard on people.

Troy White, 785 SE Opal Court- Stated he agrees with Councilor Barron's previous comments regarding allowing Marijuana sales in the City and a Business License Fee but does not support a sales tax to the general public as the City should focus on bringing more businesses into the City as property taxes are extremely high.

Clint Elliot, 1189 E Newport Ave- Stated he moved from the westside of the state and saw what happened when more police officers were hired but had their hands tied. Mr. Elliot stated he supports the work police officers do but feels that if the City is going to hire more officers it should untie their hands.

Brian Misner, 6 SW Sunrise Court- Stated City residents already voted no on Marijuana sales in the City, however the City should allow residents to vote on gas and sales tax. As a member of the Budget Committee, he finds it troubling that no warning signs about this budget issue were given and feels that the City Council should hold someone accountable for this issue. Mr. Misner stated he feels sorry for the Police Department and their frustration on getting the help they need.

David Hanson, 1737 W Alleluia Ave- Stated the Police Department has the worst employment ratio in the area and it would be better to hire six officers instead of three to help keep the community safer. As a Budget Committee member, he believes the Committee should meet quarterly and have more oversight as they did



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not know what was going on. These are hard decisions and freezing salaries should be considered, as well as holding someone responsible. Mr. Hanson stated he supports a TRT increase and a Public Safety Fee of \$9.00 instead of \$5.00 but asked that the City negotiate with Amazon to get more money for Public Safety Funds and gave the City praise for obtaining the grants they have received.

Josh Roberts, 1709 NE 6<sup>th</sup> Place- Stated these are difficult gut-wrenching decisions but he agrees with Mr. Misner that the City should be holding someone accountable for this failure and the public should be aware of this. The COPS grant is great as we need more police officers but we also need an increase that is well thought out, has everyone paying a fair share, and make sure this doesn't happen again. Mr. Roberts thanked the City for this public process.

Kena West, 690 W Sandpiper Ave- Stated residents should not have to pay additional fees or be responsible for the deficit. The City should make cuts everywhere as every penny matters. The additional fees will not fix the homelessness problems in the City that make it impossible go to the Library. Mrs. West stated she does not support any fees as there are no direct benefits.

Jose Garcia, 440 SW 11<sup>th</sup> St- Stated the City is losing revenue from the Latino Entertainment Business to Tri-Cities because the event prices at EOTEC are too high. High school graduations should be hosted in the City as the City is losing money to Tri-Cities when these events are held out of town. Mr. Garcia stated he has great respect for the Police Department and thinks each officer should give at least 10 citations per shift they work as he witnesses a lot of speeding.

Ann Minton- emailed comment attached.

Stacy Stanek, 330 SE Carter Drive- Stated Planning Fees should be tied to inflation and updated frequently, and although she does not want to pay additional fees, she will if this is what the City needs; however, the City should ask for a \$10.00 per month in Public Safety Fees instead of \$5.00 if that is what the City wants.

Kari Christiansen, 470 Christiansen Loop- Stated although she lives out of City limits she does own a business in City limits so this will impact her as well. Mrs. Christiansen stated the Police Department is great and does support additional fundings for them. The City should also reconsider the Gettman Road Project as it would be spending funds on something that is unnecessary and encouraged the Council to speak with her about this project.

Karyn Jones, 1010 W highland Ave- Asked if she could submit written public comment before a decision is reached in January and expressed support and gratitude to and for the Police Department.

Councilor McCarthy stated he received input from a member of the Downtown District who shared her concern regarding the proposed \$250.00 per year Business License Fee stating the City should reconsider this this fee as it could bring hardships to the Downtown Districts businesses who already pay fees to their organization, possible fees to the Chamber of Commerce if they are members, and would discourage businesses development in the City, as well as businesses possibly having to let go of staff. If a fee is required, the City should look into Business Fees that the City of Pendleton charges.



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City Manager Smith gave information regarding the online budget survey with results being gathered and shared at the January 8<sup>th</sup> meeting where the public can give additional comments and feedback to the Council before the Council is asked to make a budget decision.

After additional comments and questions from the Council, the Council thanked the public for attending and participating, encouraged the public to continue to participate stating all comments will be taken into consideration when making this very difficult decision.

#### **Adjournment**

Mayor Drotzmann adjourned the Special Town Hall meeting at 6:59pm and stated the Council will take a short recess before starting the regular council meeting.

DRAFT



## Why are we here?

- FY 2023-24 General Fund Budget Gap
- Gap has been building due to property tax limitations (Measures 5 (early 90's) and 50 (late 90's))
- Utilized One-Time Federal \$\$ (ARPA) to Delay This Discussion



## Why are we here?

- General Fund Departments
  - Administration
  - Finance
  - Police
  - Library
  - Parks and Recreation
  - Planning
  - Court
- Enterprise Funds
  - Water
  - Sewer
  - Streets
  - Electric
  - Information Technology
  - EOTEC



## Process

- Budget Adopted – June 2023
- Department/Revenue Review Started – June 2023
- Completed Review – November 2023
- Town Hall Discussion – November 27, 2023
  - Including an online survey
- Report to Council/Get Direction (January)



## Desired Service Levels

- Various Public Outreach Efforts
  - **2040 Vision Report**
  - **2019 Phone Survey**
  - **2023 Online Survey**
- All showed varied levels of satisfaction for current services
- One showed some willingness to pay for increased police services (ie. more officers)



## FY2023-24 Budget

### REVENUES

	Adopted FY24-B	Status Quo Budget*
Property Taxes	\$ 7,425,990	\$ 7,425,990
From Other Agencies	1,122,501	1,122,501
Service Charges	2,181,400	2,181,400
Trasf From	2,498,035	2,498,035
Lic & Franchises	1,468,300	1,468,300
Cash Fwd	951,685	951,685
Fines/Penalties	400,000	400,000
Misc Revenue	65,000	65,000
Interest	70,000	70,000
Non-Rev Receipts	723,000	50,000
	<b>\$ 16,905,911</b>	<b>\$ 16,232,911</b>

#### \*Changes from Adopted Budget

- Removes the Loan Proceeds (\$673,000)
- Restores Funding for PT Library Positions (\$100,000)
- Restores Funding for Recreation Coord. Position (\$96,000)
- Restores Council Budget (\$55,000)

### EXPENSES

Personnel Costs	\$ 11,299,862	\$ 11,550,352
Mat'ls/Svcs	3,520,428	3,520,428
Transfers	1,479,520	1,479,520
Debt Svc	460,825	460,825
Capital Outlay	92,000	71,500
Contingency	53,276	53,276
	<b>\$ 16,905,911</b>	<b>\$ 17,135,901</b>
	<b>0</b>	<b>-902,990</b>

#### Possible Addition

- \$370,000 for Three New Officers



## Additional Cuts

- Cut Street Funding
- Various Materials and Services Cuts



## Possible Revenues

- Increase Transient Room Tax (TRT) Rate
- Utility Fees (Police, Parks and Recreation, etc.)
- Increase Planning and Zoning Fees
- Franchise Fee on Water/Sewer
- Business License Fee
- Local Sales Tax (exempting all food/prescription drug sales)



## Possible Revenues

- Local Fuel Tax
- Marijuana Tax
- Local Option Property Tax Levies
- Payroll Tax



## Recommendation

- Cuts
  - **Street Maintenance (+\$340,000)**
  - **Materials/Services (+\$150,000)**





## Recommendation

### • Revenues

- **Planning Department Fees (+\$80,000)**
- **Transient Room Tax 1% Increase (+\$100,000)**
- **Business License Fee (+\$100,000)**
- **Public Safety Fee (\$5/month) (+\$360,000)**
- **COPS Grant (+125,000)**



## Recommendation Impact

REVENUES	Adopted FY24-B	Recommended Budget*
Property Taxes	\$ 7,425,990	\$ 7,425,990
From Other Agencies	1,122,501	1,247,501
Service Charges	2,181,400	2,821,400
Tranf From	2,498,035	2,498,035
Lic & Franchises	1,468,300	1,468,300
Cash Fwd	951,685	951,685
Fines/Penalties	400,000	400,000
Misc Revenue	65,000	65,000
Interest	70,000	70,000
Non-Rev Receipts	723,000	50,000
	<b>\$ 16,905,911</b>	<b>\$ 16,997,911</b>
<b>EXPENSES</b>		
Personnel Costs	\$ 11,299,862	\$ 11,729,862
Mat'ls/Svcs	3,520,428	3,372,154
Transfers	1,479,520	1,138,520
Debt Svc	460,825	460,825
Capital Outlay	92,000	71,500
Contingency	53,276	53,276
	<b>\$ 16,905,911</b>	<b>\$ 16,827,137</b>
	<b>0</b>	<b>170,774</b>

#### \*Changes from Adopted Budget

- Removes the Loan Proceeds (\$673,000)
- Restores Funding for PT Library Positions (\$100,000)
- Restores Funding for Recreation Coord. Position (\$96,000)
- Restores Council Budget (\$55,000)

#### \*Additional Recommended Changes

- Staff Recommended Cuts in Non-Staff Areas (\$150,000)
- Leave 90% of Franchise Fees in General Fund (\$340,000)
- Planning Dept. Fee Update (\$80,000)
- Transient Room Tax (TRT) 1% Increase (\$100,000)
- Business License Fee (\$250) -- (\$100,000)
- Public Safety Fee (\$5/month) -- (\$360,000)
- COPS Grant Funding (\$125,000)



# Forecast Assumptions

## \*Changes from Adopted Budget

- Removes the Loan Proceeds (\$673,000)
- Restores Funding for PT Library Positions (\$100,000)
- Restores Funding for Recreation Coord. Position (\$96,000)
- Restores Council Budget (\$55,000)
- Adds Funding for Three New Patrol Officer Positions (\$370,000)

## \*Additional Recommended Changes

- Staff Recommended Cuts in Non-Staff Areas (\$150,000)
- Leave 90% of Franchise Fees in General Fund (\$340,000)
- Planning Dept. Fee Update (\$80,000)
- Transient Room Tax (TRT) 1% Increase (\$100,000)
- Business License Fee (\$250) - (\$100,000)
- Public Safety Fee (\$5/month) - (\$360,000)
- COPS Grant Funding (\$125,000)

## †Projection Assumptions

### Revenues

- Property Taxes - 5.5% annual growth based on past five years
- From Other Agencies - 1% annual growth
- Service Charges - 4.5% annual growth based on past five years
- Transfers From - 3% annual growth
- Licenses and Franchises - 3% plus projected Amazon Growth
- Cash Forward - Decreasing as needed
- Fines and Penalties - Best estimate on returning of A Misd. and full PD staffing with 1% growth
- Misc. Revenue - Conservative estimate, Historically no pattern
- Interest - Conservative estimate with unknown interest rate climate
- Non-Revenue Receipts - Conservative, Historically no pattern

### Expenses

- Personnel Costs - 5% annual growth
- Materials and Services - 5% annual growth
- Transfers - 3% annual growth
- Debt Service - Steady
- Capital Outlay - Small growth
- Contingency - Steady



# Recommendation + Forecast

REVENUES	Adopted FY24-B	Recommended Budget†	FY25-P	FY26-P	Projected† FY27-P	FY28-P	FY29-P
Property Taxes	\$ 7,425,990	\$ 7,425,990	\$ 7,834,419	\$ 8,265,313	\$ 8,719,905	\$ 9,199,499	\$ 9,705,472
From Other Agencies	1,122,501	1,247,501	1,259,976	1,272,576	1,160,302	1,171,905	1,183,624
Service Charges	2,181,400	2,721,400	2,843,863	2,971,837	3,105,569	3,245,320	3,391,360
Transf From	2,498,035	2,598,035	2,675,976	2,756,255	2,838,943	2,924,111	3,011,835
Lic & Franchises	1,468,300	1,808,300	1,962,549	2,241,051	2,830,693	3,593,921	4,487,678
Cash Fwd	951,685	951,685	600,000	415,000	200,000	-	-
Fines/Penalties	400,000	275,000	350,000	353,500	357,035	360,605	364,211
Misc Revenue	65,000	65,000	100,000	100,000	100,000	100,000	100,000
Interest	70,000	70,000	70,000	50,000	50,000	50,000	50,000
Non-Rev Receipts	723,000	50,000	50,000	50,000	50,000	50,000	50,000
	\$ 16,905,911	\$ 17,212,911	\$ 17,746,784	\$ 18,475,531	\$ 19,412,447	\$ 20,695,361	\$ 22,344,179
EXPENSES							
Personnel Costs	\$ 11,299,862	\$ 11,729,862	\$ 12,316,355	\$ 12,932,173	\$ 13,578,781	\$ 14,257,721	\$ 14,970,607
Matls/Svcs	3,520,428	3,372,154	3,540,782	3,717,600	3,903,690	4,098,874	4,303,818
Transfers	1,479,520	1,138,520	1,173,706	1,208,917	1,245,184	1,282,540	1,321,016
Debt Svc	460,825	460,825	460,825	460,825	460,825	460,825	460,825
Capital Outlay	92,000	71,500	100,000	100,000	125,000	125,000	125,000
Contingency	53,276	266,776	55,000	55,000	55,000	55,000	55,000
	\$ 16,905,911	\$ 17,042,137	\$ 17,846,647	\$ 18,474,714	\$ 19,368,481	\$ 20,279,960	\$ 21,236,266
		170,774	100,136	817	43,964	415,402	1,107,913





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# Comments/ Questions?

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*Where Life is Sweet™*

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**From:** Ann Minton <annm1405@gmail.com >  
**Sent:** Monday, November 27, 2023 5:38 PM  
**To:** City of Hermiston Meetings  
**Subject:** Hermiston City Townhall meeting - question

You don't often get email from annm1405@gmail.com. [Learn why this is important.](#)

**[EXTERNAL EMAIL] - STOP and VERIFY - This message came from outside of the City of Hermiston**

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Ann Minton

895 SW 7<sup>th</sup> Street Hermiston,

Below are my concerns about the addition of a safety fee for Hermiston. I do not support this

- How is this fee assessed? Monthly bill?
- Shouldn't the public vote on a new tax. Or because you labeled it a fee it doesn't fall under the same laws as a new tax.
- If we don't get to vote on it, then what prevents the city from arbitrarily raising it five dollars this year \$10 next year in three years were up to \$50 safety fee
- What additional value can you provide for me as a citizen to back the justification of a safety fee?
- What other counties have initiated the safety fee? I see that Thurston county. Washington initiated a safety tax, but that was brought to the public as a vote .
- The City is like a business. There are costs, bills, etc that need to be paid. Why are The City's poor spending choices suddenly my problem. \$1 million in the red is a significant amount. Were there not any warning flags along the way? As a citizen if I start to run in the red, do I get to reach out to the general population and ask for a fee or a tax to get me through?

Sent from [Mail](#) for Windows