



Where Life is Sweet

Public Finance Committee Meeting Minutes

March 9, 2026

Mayor Primmer called the meeting to order at 5:00pm. Councilors Linton and Kelso were present. City staff in attendance included: City Manager Byron Smith, Finance Director Ignacio Palacios, and City Recorder Lilly Alarcon-Strong.

Large Payment Review

Finance Director Palacios reviewed the large payment registry found in the agenda packet and answered questions regarding specific vendors and projects related to these payments and stated 56% of the line items are from construction projects. The Committee asked that, going forward, Finance Director Palacios add group details pertaining to each line item, ie: A. Construction B. Contractual Obligations C. etc. as this will also add a level of transparency to this list for the public as well.

Finance Director Palacios presented information (PowerPoint Presentation attached) and the Committee spoke regarding:

- **Finance Department Process-** Month End Procedures and Utility Billing Improvements.
- **Monthly Financial Report Review-** There was discussion regarding whether to modify the current reports, leave as-is, or completely revamp them. After some discussion, the Committee agreed that the reports should be modified to include additional information in writing to address when the City is in the red. Councilor Kelso mentioned he likes the presented reports as they give enough detail that he is able to find on his own and the colorful charts and graphs are easy to read and understand as well, but mentioned that the reports are also very reliant on staff giving accurate information.
- **Five-Year Forecast Discussion-** The Committee spoke regarding avoiding the communication gaps seen under the former Finance Director and how the Committee aims to establish robust oversight to ensure future accountability, however there were inflation costs increases that were out of the City's control and many other cities were dealing with the same financial shortfalls that Hermiston was. City Manager Smith agreed stating there was a lot more inflation than projected and it was not something anyone could have predicted.

Committee Questions or Comments

Councilor Linton stated many residents are receiving property reassessment notices from Umatilla County's Tax Assessors and asked if this is something the City asked the County to do.

City Manager Smith stated no- the City did not request this but does benefit from the process.

Public Comment

None given.

Adjourn

Mayor Primmer adjourned the meeting at 5:48pm.



Public Finance Committee

- Finance Department Update
 - **Month End Procedures Review**
 - Month End Entries, Financial Reconciliations, CM Notification/Review, Financial Reports
 - Digitization focus
 - **Utility Billing Improvements**
 - Forms changes
 - Updating and modifying procedures
 - Training



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- Monthly Financial Report Changes
 - **Modify current report(s) or revamp completely**
- Five Year Forecast
 - **Tie-In to Council Goals**
 - **Considerations**
 - **Growth – Population, Jobs, Industry**
 - **Services – Public Safety, Livability (Library, Parks, Recreation, Community Center, Seniors, etc.), Transportation (streets, public transit, etc.), Utilities**
 - Revenues necessary to maintain services
 - Increasing materials & services costs
 - **External – fixed costs, replacement costs, federal and state regulations**



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- **Considerations, cont'd**
 - **Sustainable – Challenges to maintain level of service**
- **Check Register Review**





Discussion Questions?

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