



Where Life is Sweet

CITY COUNCIL

Work Session Meeting Minutes April 10, 2023

Mayor Drotzmann called the regular meeting to order at 6:00pm. Present were Councilors Hardin, Primmer, Barron, Duron, Linton, and McCarthy. Councilors Peterson and Myers were excused. City staff in attendance included: City Manager Byron D. Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey (arrived 6:06), Chief Edmiston, Planning Director Clint Spencer, Finance Director Mark Krawczyk, Court Administrator Jillian Viles, Parks and Recreation Director Brandon Artz, and Assistant City Recorder Heather La Beau.

Budget Information & Explanations

City Manager Smith presented information (attached) regarding the budget. A brief outline of the City's fund accounting and how it functions was given. Additional detail was shared regarding funding and organizational staffing of the Police Department. Three new officer positions are proposed. Possible funding options for the \$375,000 cost of three officers include cuts from the General Fund and/or generating revenue by adding fees. Councilors expressed concerns about the affect of increased taxes and fees on the citizens and the need to determine what services may be eliminated. The input of constituents will continue to be an important factor in the discussions.

City Manager Smith provided the historical relationship between the City and the Fire Department. The Power Point presentation is attached. Compression was explained in relation to the financial impacts to the City's budget from the formation of Umatilla County Fire District #1 (UCFD#1). Additional funding sources of UCFD#1 was discussed. The UCFD#1 Board meets publicly and those interested in additional information are welcome to attend.

Adjournment

Mayor Drotzmann adjourned the work session meeting at 6:52pm and stated the Council will take a short break before starting the regular City Council meeting at 7:00pm.



Hermiston Budget 101

April 10, 2023



Outline

- Fund Accounting
- General Fund
- Police Department
- Potential Options
- Fire District Funding



Funds

- Fund Accounting
 - **Emphasizes Accountability vs. Profitability**
- 21 Funds
 - **Some project focused (#37 City Hall Construction)**
 - **Some purpose focused (#13 Hermiston Energy Services)**



Funds

- **Restricted Uses**
 - **HES – All electric revenues and costs are captured in this fund.**
 - **This isn't necessarily required but is the approach we have taken with all utilities.**
 - **HES pays a franchise fee to the City.**



General Fund

- General Fund
 - \$16.7 million (\$7.1)
 - City Council
 - City Manager/Legal
 - Building Inspections
 - Parks
 - Recreation
 - Airport
 - Library
 - Buildings
 - Police - \$6.1 (36.5%)
 - Community Center
 - Finance
 - Harkenrider Center
 - Planning
 - Pool
 - Court



Police Department

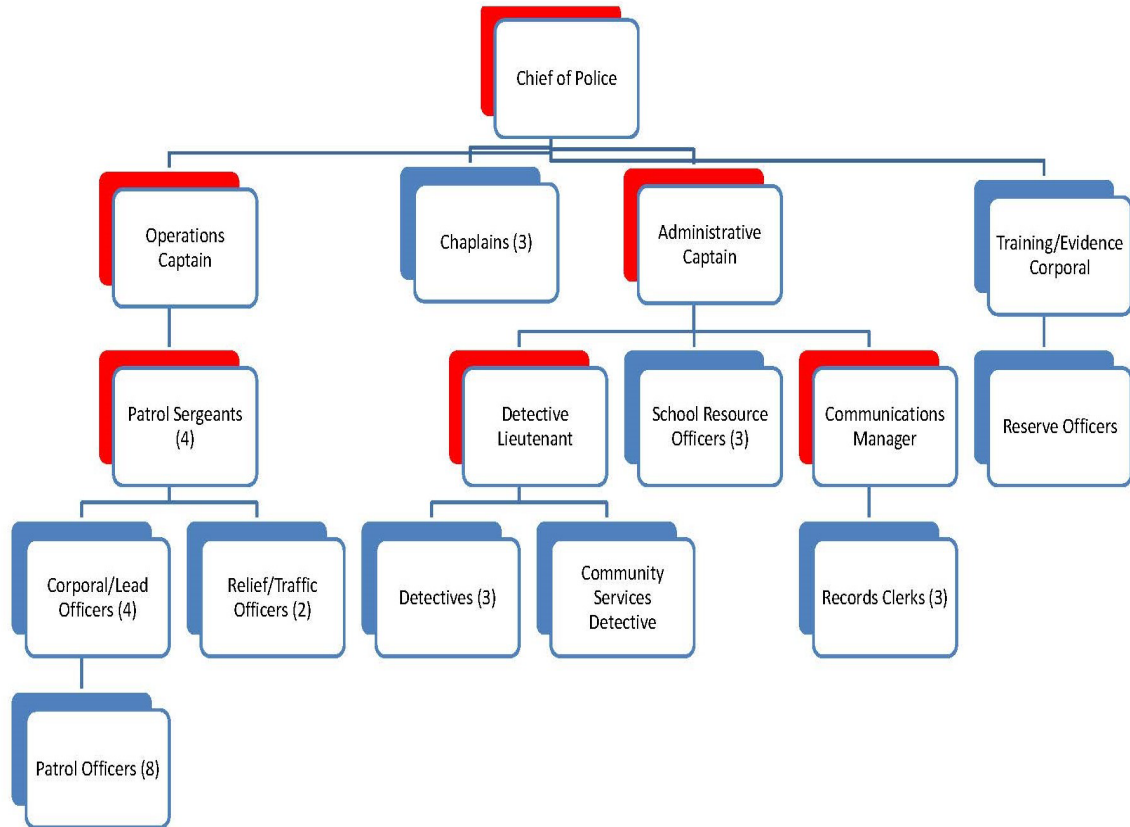
- 20 Officers in 2000 with 13,253 population
- 30 Officers in 2022 with 19,973 population
- About same % growth but this doesn't take into account two factors.
 - **Call volume**
 - **Minimum staffing**



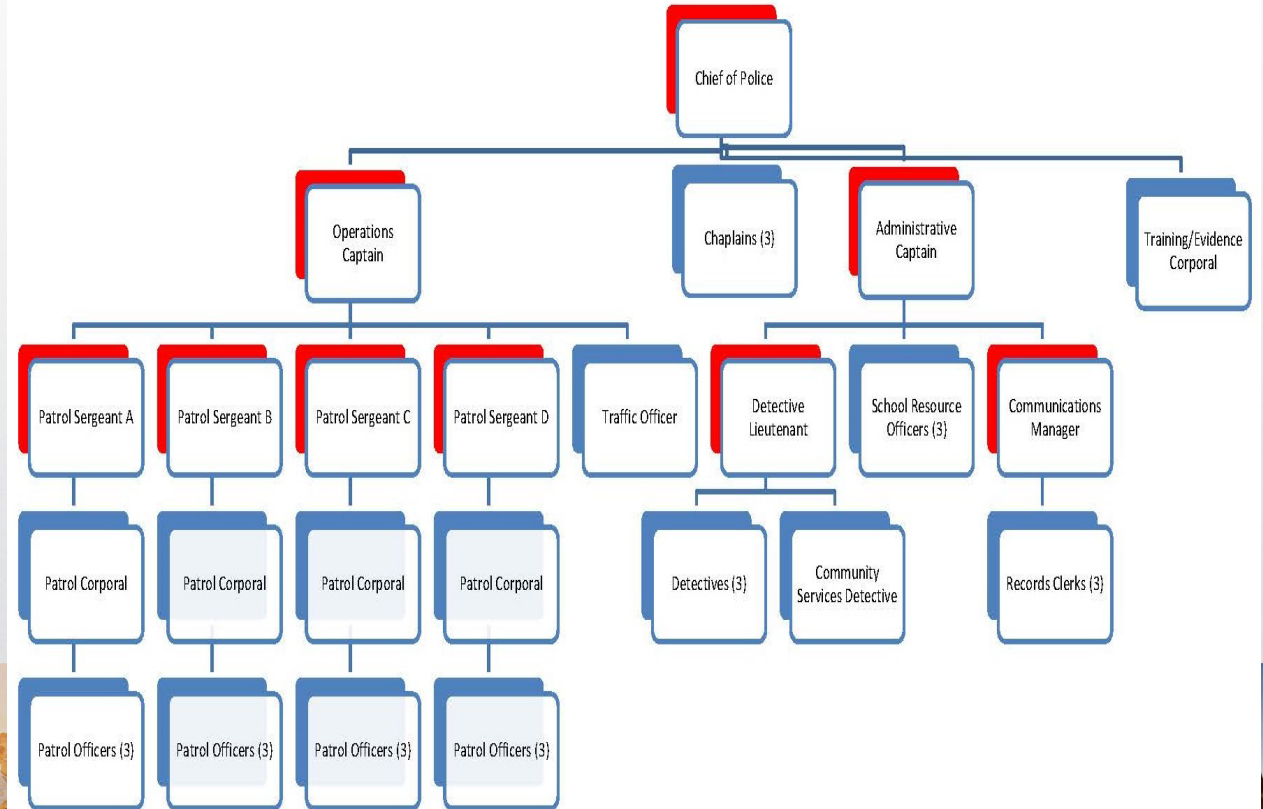


Police Department

Current Org Chart



Proposed Org Chart



Police Department

- What does this cost?
 - **\$125,000 Total Burden**
 - **\$375,000 for three officers**



Possible Sources

- General Fund Cuts
 - **Library \$1,024,415**
 - **Parks and Recreation combined - \$1,606,140**
 - **Finance - \$654,929**
 - **City Manager/Legal - \$1,010,363**



Possible Sources

- Public Safety/Parks and Recreation Fee
 - **6,000 accounts**
 - **\$5/month = \$360,000**
- Business License Fee
 - **~400 businesses**
 - **\$500/year = \$200,000**
- Water/Sewer Franchise Fee
 - **\$10,250,000 annual sales**
 - **4% = \$410,000**



Fire District Finances

- 1998 - Initial Merger (City and Rural Hermiston)
- 2015 – Initial failed Stanfield/Hermiston Merger Election (\$2.00/thousand)
- 2016 – Successful Stanfield/Hermiston Merger Election(\$1.75/thousand)



Fire District Finances

- Initial Compression Hit ~\$200,000
- Amazon Funds to date ~\$350,000 to UCFD#1: \$0 to City



Fire District Finances

- Call Volumes (First Look)
 - **50% to 80% in Hermiston**
- Property Tax
 - **45% of District Revenue from Hermiston City taxpayers**

