



# CITY COUNCIL

## Regular Meeting Minutes

January 30, 2025

Mayor Primmer called the regular meeting to order at 7:00pm. Present were Councilors Hayward, Roberts, Linton, McCarthy, Myers, Kelso, and Barron. Councilor Duron was excused. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Ignacio Palacios, Chief Jason Edmiston, Parks and Recreation Director Brandon Artz, Planning Director Clint Spencer, Court Administrator Jillian Viles, Library Director Mark Rose, and City Recorder Lilly Alarcon-Strong. Also present was Student Advisor Jeannine Heredia and Rebecca Godoy. The pledge of allegiance was given.

### **Citizen Input on Non-Agenda Items**

Michael Gibson, 497 E Highland Ave- Asked that the Council consider implementing a crossing guard, installing streetlights, or doing something else that can help the dangerous intersection by the High School, stating a student was recently hit by a vehicle in this intersection and sustained serious injuries as drivers aren't paying attention and there is a lot of high school student walking traffic.

Mayor Primmer stated this area has been a discussion item for the City for many years; a traffic signal may not be a reasonable option for this area and the School District would be in charge of implementing crossing guards, however, the City will continue to work on this issue.

### **Consent Agenda Items**

Councilor Hayward moved and Councilor Myers seconded to approve Consent Agenda item A-H, to include:

- A. Committee Vacancy Announcements
- B. Budget Committee Recommendation Re-Appointments for 3-year terms ending December 31, 2027: Position 7, Brian Misner; Position 8, David Hansen; and Position 9, John Douglass.
- C. Budget Committee Recommendation Appointment for remaining 3-year term ending December 31, 2025: Position 3, Rod Hardin.
- D. Faith-Based Advisory Committee Recommendation Appointment for 3-year term ending December 31, 2027: Position 3, Rafael Vargas. 1
- E. Faith-Based Advisory Committee Recommendation Re-Appointment for 3-year term ending December 31, 2027: Position 4, Chris Hankel.
- F. Library Board Recommendation Appointment for the remaining 4-year term ending June 30, 2026: Position 4, Linda Tibbals.
- G. North 1st Place ODOT IGA Amendment
- H. Minutes of the January 13th, 2025 City Council Regular Meeting and Urban Renewal Agency Meeting

Motion carried unanimously.

### **Public Hearing- Supplemental Budget for the Fiscal Year July 1, 2024 to June 30, 2025 (Res No. 2354)**

After hearing no declarations of conflict of interest from the Council, City Manager read the hearing guidelines and Mayor Primmer opened the hearing at 7:06pm.

City Manager Smith gave detailed information and answered various questions from the Council regarding the proposed supplemental budget as outlined in the agenda packet.



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There were no persons who wished to give public comment and Mayor Primmer closed the hearing at 7:16pm stating this item would be presented again during Resolution No. 2354 for final action.

### **Resolution No. 2354- Adopting a FY 2024-25 Supplemental Budget**

City Manager Smith stated this item was discussed during the public hearing.

Councilor McCarthy moved and Councilor Barron seconded to approve Resolution No. 2354 and lay upon the record. Motion carried unanimously.

**Resolution No. 2353- Master Fee Schedule Update to Include Water and Sewer Rates and Various Billing Fees-** Assistant City Manager Morgan presented information (PowerPoint Presentation attached) regarding the various rate adjustments as outlined in the agenda packet.

After further discussion and answering questions from the Council from Assistant City Manager Mark Morgan and Finance Director Ignacio Palacios, Councilor Roberts moved and Councilor McCarthy seconded to adopt Resolution No. 2353 and lay upon the record. Motion carried unanimously.

### **Water/Sewer/Street 5-Year Capital Improvement Plan (CIP) Update**

Assistant City Manager Morgan presented information (PowerPoint Presentation attached) regarding proposed updates for the CIP as outlined in the agenda packet.

After further discussion and answering questions from the Council, Councilor Linton moved and Councilor Myers seconded to approve the CIP as presented. Motion carried unanimously.

### **Umatilla County Special Library District (UCSLD) Contract Renewal**

City Manager Smith presented the UCSLD Agreement as attached in the agenda packet, specifically focusing on the formula determining the financial distribution of each library in the district. Mr. Smith spoke regarding his efforts to work with the new District Library Director, Heather Estrada, and their Board to develop a new formula or use the same formula they have applied to all other residents of the district, excluding the City of Hermiston, so the City could receive \$253,118 instead of \$132,211. Although communication has improved between the City and new District Library Director, we were unable to come to an agreement regarding making changes to the existing formula.

UCSLD Director Heather Estrada answered questions from the Council regarding the formula; tax rate; Board and staffing; services provide to libraries in the district, including: staff training, early literacy outreach, and Sage and other programing. Ms. Estrada spoke regarding the Boards priority to make sure each town in the District has a Library their residents can use. Unlike Hermiston, some of these towns, like Ukiah, didn't even have a library building; and like many rural towns, many residents, like students, aren't able to travel to other cities to use their library, yet you will see each day there are about 40 students in the Ukiah library after school. This is one of the reasons the City of Hermiston receives less funding.

The Council thanked Ms. Estrada for her explanation and some of the councilors stated they understood the reasoning behind the formula better. Councilor Barron moved and Councilor Linton seconded to



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authorize the City Manager to sign the agreement for the Library Services as presented. Motion carried unanimously.

### **December 2024 Monthly Financial Report**

Councilor Roberts moved and Councilor Myers seconded to accept the December Financial Report as presented by Finance Director Palacios, Assistant City Manager Morgan, and City Manager Smith. Motion carried unanimously.

### **Committee Reports**

Library Board- Councilor Roberts gave construction and design updates and spoke regarding book circulation numbers and hiring staff to replace those who have retired.

Hispanic Advisory Committee- Councilor Kelso stated he learned a lot from attending this meeting, the Committee members heard a presentation from Court Administrator Jillian Viles and held their Annual Goal Setting Session.

Citizen Accountability Board- Councilor Linton and Councilor Hayward stated they recently met and although they can't completely discuss the circumstances, they can say that the Board, with the help of amazing officers who truly care about youth, are helping direct youth in the right direction.

Public Infrastructure Committee- Mayor Drotzmann stated the Committee met and were presented with the information the Council heard earlier in the meeting.

### **Mayor's Report**

Mayor Primmer spoke regarding:

- Last week's Goal Setting Session,
- Attending the City Day at the Capitol, stating there was great conversations and connections had,
- Encouraged Council members to attend other cities City Council meetings to gather ideas and information about what's important in other communities and share this knowledge back as there may be issues we can collaborate with each other on

### **Council President's Report**

Council President McCarthy spoke regarding:

- Echoed Mayor Primmer's encouragement regarding attending other cities City Council Meetings,
- Encouraged the Community to watch the High School Performance of Charlie and the Chocolate Factory on February 7<sup>th</sup> at 7pm

### **Council Reports**

Councilor Linton thanked the Police Department for their extra patrols around her neighborhood, Code Enforcement Official Daniel Taylor for information supplied regarding various code enforcement questions she had, and City Manager Smith for driving a car full of Councilors to and from City Day at the Capitol.

Councilor Barron spoke regarding his attendance at the MLK Event stating it was a great event and appreciates the City's participation in it and gave praise to the Hermiston School District for allowing him to attend the Goal Setting Session as they were great sessions.



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Councilor Hayward invited all to attend the 6<sup>th</sup> Annual Campus Life Fundraiser called The Gathering on Friday, February 21<sup>st</sup> at the Community Center. There will be live music, silent and live auction, raffle items and catered dinner. To purchase tickets and learn more about the event, please visit: <https://campuslife.regfox.com/2025the-gathering> or call 541-969-1017.

Councilor Roberts spoke regarding attending the Day at the Capitol event and how exciting it was to hear and learn about all the proposed legislation.

Councilor Kelso stated he recently participated in a police ride-a-long and was impressed with the detailed knowledge, empathy, and professionalism displayed by Corporal Flatau, and Officers Zumwalt, Ramirez, and Nuckolls; attended the Umatilla County Fair Board Appreciation dinner and emphasized the incredible support this organization and the community give to our youth; encouraged the community to attend the Hermiston Education Foundation Crab and Beef Dinner Fundraiser on February 1<sup>st</sup> stating all proceeds will go towards classroom needs; and spoke about the Hermiston Amateur Radio Club who continues to progress and demonstrate effectiveness in emergency communications.

### **Youth Advisory Report**

Jeannine Heredia spoke regarding the youth advisory students attending the Day at the Capitol in Salem with members of the City Council on January 28<sup>th</sup> and how much they learned from other communities that also have a Youth Advisory Committee.

Mayor Primmer thanked the Youth Advisors for attending and bringing their great energy to the event.

### **City Manager's Report**

City Manager Smith spoke regarding:

- His conversation with Mr. Davis on how to bring the Youth Advisory Students to the next level
- Sharing the LOC's Legislative Weekly Webinar information with the Council

### **Adjourn City Council Meeting**

There was no other business and Mayor Primmer adjourned the regular City Council meeting at 9:02pm.


SIGNED:

\_\_\_\_\_  
Doug Primmer, Mayor

ATTEST:



\_\_\_\_\_  
Lilly Alarcon-Strong, City Recorder



## Updates Overview

- Water & Sewer Rates
- Special Water/Sewer Charges
- Utility Billing Fees

## Water & Sewer Rates

- Annual Adjustments for Inflation: 2018 →
- Engineering News-Record: Construction Cost Index (CCI)
- 2022: 3-Year Rolling Average (Smooth Inflation)
- Proposed: 3.0%




## ENR CCI

	1-Year	3-Year Average
2024	0.9%	3.0%
2023	2.6%	5.2%
2022	5.6%	5.0%
2021	7.4%	3.8%
2020	2.2%	2.3%
2019	1.7%	
2018	2.9%	





## Median Residential Customer

- Combined Water & Sewer
- Water Usage Ramps Up Over Summer
- Half of customers use more; Half use less
- Averaged over 12 months: \$3.44/mo.
- “Equal Pay” or “Average Pay” Option



## “Special” Water/Sewer Charges

- Industrial User Rate: 5.69%
- Vactor Truck: Inflation since 2020
- Septic & Portable Toilet Disposal: Inflation since 2020
- Hydrant Meter: Inflation since 2020



## Utility Billing Fees

- Disconnect/Reconnect: \$20 → \$75
- Meter Tampering: \$25 → \$100
- Meter Inspection: \$15 → \$0



## Fiscal Impact

- Water/Sewer Use Rates: \$300,000/yr
- Industrial User Rates: \$5,000/yr
- Special Fees: De Minimis
- Billing Fees: De Minimis





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Questions?

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## CIP Background

- 2017: Borrowed \$1.1M to Dredge Sewer Lagoon
- Pre-2019: Reactive by necessity (fix as it breaks)
- 2019: Water & Sewer Rate Restructuring
- 2019: First 5 Year Rolling CIP Adopted




 A horizontal collage of small images showing various community scenes: a person's face, a green field, a person holding a child, a pile of fruit, a group of people, a water tower, and a person on a horse.

## Progress Since 2018 Water

- 2.5 Miles Main Replaced
- 1,200 GPM Supply Expansion
- Master Plan Updated
  
- Total Spend: \$4,518,793
  - User rates
  - System Development Charges


 A horizontal collage of small images showing various community scenes: a smiling child, a field of wheat, a plate of food, a child with watermelon, a display of vegetables, two people cycling, a child with a water gun, and a child at a table.

## Water Examples


 An aerial view of a residential street undergoing water main replacement. Orange traffic barrels are placed along the road, and a large section of the main has been excavated and is being replaced.
  




## Water Examples



## Progress Since 2018 Sewer

- 0.75 Miles Main Replaced
- 3 Lift Stations Re-Built
- Master Plan Updated
- Total Spend: \$3,831,619
  - User rates
  - System Development Charges



## Sewer Examples



## Sewer Examples





## Progress Since 2018 Street

- 3 Miles Surface Repairs/Rebuilds/Infills
- 1 Mile Sidewalk Infill
- 1 Bridge Replaced

Total Spend: \$5,033,509

- State: \$3M
- Local: \$2M



## Street Examples

### N.W. 3rd Street Paving

Paving Complete on NW 3rd Street



## Street Examples



## Street Examples







## Progress Since 2014 Equipment



## Progress Since 2018

- Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)
- Water Main: 83 Miles Existing
  - 2.5 Miles = 3%
  - 0.5% per year
  - 200-Year Replacement Cycle



## Progress Since 2018

- Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)
- Sewer Main: 80 Miles Existing
  - 0.75 Miles = 0.94%
  - 0.16% per year
  - 625-Year Replacement Cycle



## Progress Since 2018

- Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)
- Streets: 77 Miles Existing (Centerline)
  - 3 Miles = 3.9%
  - 0.65% per year
  - 153-Year Replacement Cycle



## CIP Project Scoping

- Water Needs
  - Main Replace, etc.
  - Well Rehab, etc.
- Sewer Needs
  - Main Replace, etc.
  - Pump Rehab, etc.
- Street Needs
  - Street Rehab, etc.
  - Sidewalk Need, etc.



## CIP Resource Identification

- Water
  - User Revenue
  - Operations/Debt
- Sewer
  - User Revenue
  - Operations/Debt
- Street
  - Revenue
  - Operations/Debt

Individual Pro Forma Revenue and Expenses			Wider Department							
PRO FORMA			CENTRAL FT				PROJECTED			
			2015	2016	2017	2018	2019	2020	2021	2022
Value added (incl. other)	1	21	1,265,945.59	1,510,417.1	2,009,204.1	1,626,420.2	1,666,147	1,681,877	1,706,561	1,736,561
Revenue (incl. Balance)										
Operating Revenues										
Primary Revenue Source	5		1,379,811	1,511,200	1,876,241	1,942,765	1,961,620	1,981,620	1,998,120	2,015,120
Other Revenue Source 1	5		377,500.00	377,500.00	377,500.00	377,500.00	377,500.00	377,500.00	377,500.00	377,500.00
Other Revenue Source 2	5		159,640.00	159,640.00	159,640.00	159,640.00	159,640.00	159,640.00	159,640.00	159,640.00
Total Operating Revenues	5		1,646,951	1,850,340	2,213,381	2,480,805	2,498,760	2,518,760	2,535,260	2,552,160
C.M.A.R. Expenses										
Personal Services	5		991,899.00	1,118,277	1,360,874	1,300,000	1,325,056	1,345,000	1,365,000	1,385,000
Materials & Servs	5		2,400,120	1,866,447	1,335,588	1,225,001	1,180,574	1,183,812	1,185,812	1,187,812
Other Operating Expenses	5		382,100.00	400,000.00	417,500.00	433,722.00	433,875.00	433,875.00	433,875.00	433,875.00
Total Operating Expenses	5		2,484,899.00	2,984,724	3,113,962	3,328,723	3,435,431	3,448,687	3,448,687	3,448,687
Debt Service										
Feeds Avail for Debt Service	5		1,308,877.88	1,241,214	1,211,082	1,265,000	1,260,000	1,260,000	1,260,000	1,260,000
Financing Debt 1										
Other Proposed Debt										
Total Debt Service										
Other Activities										
Revenue (incl. other activities)	5		541,000.00	1,341,000.00	1,360,000.00	1,390,000.00	1,390,000.00	1,390,000.00	1,390,000.00	1,390,000.00
Transfer to CIP										
System Replacement Reserves										
Other Non-Operating Activity										
Net Other Activity										
Net Transfers In (OUT)										
Adjustments										
Net Transfer & Adjustments										
Ending Cash Balance	5		2,841,611.58	2,809,861	1,079,629	1,048,437	1,581,377	1,534,917	1,534,917	1,534,917

## Preliminary Project Scheduling

Project No	Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Beginning Fund Balance	\$ 879,803	\$ 120,803.00	\$ 859,803.00	\$ 206,803.00	\$ 293,803.00
	Transfers-In	\$ 1,841,000	\$ 3,100,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,700,000.00
	Available Resources	\$ 2,720,803	\$ 3,220,803.00	\$ 2,659,803.00	\$ 2,006,803.00	\$ 1,993,803.00

	Gladsy & Main	2100000				
W 9.0	Well #6 Chlorination Structure	\$ 200,000	\$ 927,000			
W 10.0	Well #4 Control System	\$ 300,000	\$ 200,000			
W 22.0	Chlorination Scales			\$ 15,000		
W 24.0	Well #6 Reservoir Exterior Paint			\$ 115,000		
W 17.0	W Orchard Line Replace		\$ 1,134,000			
W19.0	E Highland Water Line Replace			\$ 1,280,000		
W 21.0	View Drive Booster Upgrades			\$ 893,000		
W 28.0	Highland Booster/PZ Reconfig			\$ 1,213,000		
W 18.0	Residential Meter Replace			\$ 150,000	\$ 150,000	
W 31.0	Moore Booster Equip Replace			\$ 350,000		
W 32.0	W Highland/S 1st AC Main Replace					\$ 1,500,000
	Expense Total	\$ (2,600,000)	\$ (2,261,000)	\$ (2,453,000)	\$ (1,713,000)	\$ (1,650,000)

Ending Balance	\$	120,803	\$	859,803	\$	206,803	\$	293,803	\$	343,803
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# CIP Process

- Reviewed by Public Infrastructure Committee
  - Council Approval
  - Informs Next Year's Budget
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Questions?

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## Hermiston Urban Renewal Agency (HURA)

- Property Taxes are being received (~114%)
- North Hermiston Urban Renewal Area – Project on schedule and crossing design for Hermiston Drain underway



## General Fund

- Sixth month of 24-2025 fiscal year
- Monthly Revenues are under projections by ~\$127k
  - **One-time receipts not yet received**
  - **Received 98% of budgeted property taxes**
    - Consistent with past three fiscal years at 95%, 97% and 94% (95% average), respectively



## General Fund

- Monthly Expenses over projections by ~\$851k
  - **Primarily due to HPD leases and upfitting not yet incurred**
  - **Five departments are over budget when compared to Projected**
    - **City Council, Transportation, Parks, Public Safety Center and Court**
    - **City Council 3.9% over budget due to annual training**
    - **Parks 5.8% over budget due to seasonal activity and equipment repair**



## Utility and Street Funds

- Observations:
  - **Street fund revenues under projections due to timing of STP proceeds**
  - **Utility fund ~\$1.36 million over projected revenues**
    - Increase services (~100) and usage when compared to same period for FY 2022, 2023 and 2024
    - Annual CPI adjustment
    - Other charges (Septic Tank Service)
    - When compared to budget ~3.8% over expectation



## Utility and Street Funds, cont'd

- Observations:
  - **HES ~\$120k over projected expenditures**
    - When compared to budget meeting expectation at 41%
  - **Regional Water fund ~\$128k under projected revenue**
    - Revenues meeting budgeted expectations at 50%



## Capital Projects

- A number of projects in design
  - **Geer/Harper Realignment- submitted to UP**
  - **Well #6 Chlorination – Project is complete**
  - **Well #4 Controls – Late winter bid advertisement**
- Gladys/Main/Newport – Nearing Completion



## Capital Projects

- Hangar Replacement – Hangar Plans submitted for Permit review
- Library – Demolition Mostly Completed; Framing started
- Harkenrider – Punch List Items
- T Build-out – Completed



## Capital Projects

- EOTEC Barns - Completed
- The Arc – Concrete Completed
- Public Safety Center
  - Phase I – Completion Near
  - Phase II – Starting mid-December



Discussion

Questions?

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