



CITY COUNCIL

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



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Mayor Drotzmann called the regular meeting to order at 7:00pm. Present were Councilors Hardin, Primmer, Peterson, Linton, Barron (arrived at 7:15pm), Duron, and McCarthy. Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Chief Edmiston, Finance Director Mark Krawczyk, Planning Director Clint Spencer, Parks and Recreation Director Brandon Artz, and City Recorder Lilly Alarcon-Strong. The pledge of allegiance was given.

Recognition- Hermiston Family Aquatic Center Employees (HFAC)

Parks and Recreation Director Brandon Artz introduced HFAC Supervisors in attendance: Kasia Robbins, Jessica Campbell, Keith Holman, and Amyrissa Wyse, and thanked them for their commitment to diligently training and guiding aquatic staff and making sure HFAC is a place where the community can enjoy themselves and be safe and stated the HFAC was recently awarded the 2022 Aquatic Examiner Service Award from the American Red Cross for their excellence in outstanding leadership and guidance attained through a comprehensive evaluation process that included rigorous lifeguard audits, meticulous observations to assess the centers adherence to safety protocols, staff competence, and overall operations. Following these evaluations, the American Red Cross recognized the Aquatic Center and its dedicated staff for exceptional performance in training, safety enforcement, and vigilant supervision of aquatic activities.

Mayor Drotzmann congratulated supervisors in attendance, as well as those not present to include: Mya Hayden, Janell Davis, Dylan Westfall, and Tavin Hamm, read the signed recognition aloud, and thanked them for their amazing work. (Standing applause from all present.)

Councilor Linton stated her grandchildren have been attending lessons for many years and she has always been so impressed by the staff and service they provide.

Citizen Input on Non-Agenda Items

None given.

Consent Agenda Items

Councilor Primmer moved and Councilor Duron seconded to approve Consent Agenda items A-C to include:

- A. Committee Vacancy Announcements
- B. Committee Appointment Recommendation of Christa Guerrero for: Planning Commission Position 5- term ending 03/31/2026
- C. Minutes of the August 14th Work Session and Regular City Council Meetings

Motion carried unanimously.



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Public Hearing- Appeal of Planning Department Decision- SA Smith LLC 4N2814BB TL 102 & 300- 945 S Hwy 395

Mayor Drotzmann provided instructions regarding the quasi-judicial hearing and confirmed with Planning Director Spencer that the entire file on this matter was physically before the City Council.

(Councilor Barron arrived 7:15pm)

After hearing no conflicts of interest, bias, and ex parte contacts, Mayor Drotzmann opened the hearing at 7:16pm.

Planning Director Spencer presented information (PowerPoint presentation attached) regarding the appeal filed by Slade Smith regarding certain portions of the Planning Departments decisions for site plan review for occupancy changes from a beauty salon to a drive-through soda fountain shop as outlined in the agenda packet staff report.

Hearing no individuals who wished to testify in favor or opposition of the appeal, Planning Director Spencer presented the staff summary and Councilor Primmer moved and Councilor Duron seconded to close the hearing at 7:28pm. Motion carried 6-1. Councilors Hardin, Peterson, Primmer, Duron, Linton, and McCarthy voted in favor; Councilor Barron voted against.

After additional council discussion the Council made motions on the following:

- Councilor Primmer moved and Councilor Hardin seconded to strike General Note #1. Motion carried unanimously.
- Councilor Primmer moved and Councilor Peterson seconded to uphold Condition #5. Motion carried 5-2. Councilors Hardin, Peterson, Primmer, Barron, and Duron voted in favor; Councilors Linton and McCarthy voted against.
- Councilor Barron moved and Councilor Hardin seconded to amend Condition #8 to state, "Where parking lot lighting is installed, whether building or pole mounted, such lighting shall be installed to not create or reflect substantial glare in a residential zone or on any adjacent dwelling." Motion carried unanimously.

Resolution No. 2287 – Temporary Water and Wastewater Service Agreement with Amazon Data Services, Inc. (ADS).- Assistant City Manager Morgan gave information regarding Resolution 2287 stating the agreement gives specific information regarding temporary provision of utility services provided to ADS data center campuses from the City of potable water for cooling and permanent acceptance of a minor component of the operations discharge water.

After some discussion, Councilor Primmer moved and Councilor McCarthy seconded to adopt Resolution No. 2287 and lay upon the record. Motion carried 5-2. Councilors Primmer, Hardin, Barron, Duron and McCarthy voted in favor; Councilors Peterson and Linton voted against.



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Resolution 2288- Regional Water System Phase 2 Pump & Motor Procurement, and Resolution 2289- Regional Water System Phase 2 Controls Procurement

Assistant City Manager Morgan stated both Resolutions 2288 and 2289 are very similar as they work towards the same goal to provide non-potable cooling water from the Regional Water System (RWS) through the Port of Umatilla water rights with the City of Hermiston as the contracted operator of the RWS, as well as other necessary system updates.

After some discussion, Councilor McCarthy moved and Councilor Hardin seconded to adopt Resolution No. 2288 and lay upon the record. Motion carried unanimously. Councilor Primmer moved and Councilor McCarthy seconded to adopt Resolution No. 2289 and lay upon the record. Motion carried unanimously.

Resolution No. 2290 – Authorizing an Information Technology Services Agreement with the Umatilla Rural Fire Protection District- City Manager Smith stated this resolution is similar to the other IT Services agreements allowing the City to provide IT Services to the Umatilla Rural Fire Protection District.

After some discussion, Councilor Linton moved and Councilor Duron seconded to adopt Resolution No. 2290 and lay upon the record. Motion carried unanimously.

July 2023 Financial Report

After some discussion, Councilor Linton moved and Councilor Duron seconded to accept the Financial Report as presented by Finance Director Mark Krawczyk. Motion carried unanimously.

Committee Reports

Hispanic Advisory Committee- Councilor Barron recognized HAC members in the audience Jesse Roa and Alberto Munoz and stated the Committee met last week and heard information from Stepping Stones Alliance.

Recreation Projects Advisory Committee- Councilor Barron asked Parks and Recreation Director Artz to provide budget information to the Committee.

Mayor's Report

Mayor Drotzmann spoke regarding:

- Thanked Human Resources Specialist Crystal Inners, City Recorder Lilly Alarcon-Strong, Public Works Departments, and all those who helped with the City Picnic
- Attended the Ribbon Cutting and Open House of the High School annex building
- Attended the Lower Umatilla Basin Groundwater Management Area (LUBGWMA) Regional Meeting to discuss Nitrates in our water and help community members receive free resources
- Ask that the community please be watchful and safe as school begins on Wednesday
- Asked that the Council please participate in the Cybersecurity Training sent out by IT recently



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Council Reports

Councilor McCarthy spoke regarding MelonFest, Cork and Barrel, Kiwanis Kids Day, and Faith & First Responders events.

Councilor Linton stated she will be receiving recognition from the Portland Urban League for work she has done throughout the community on September 13th in Pendleton.

Councilor Duron spoke regarding the LUBGWMA meeting she attended stating there was a lot of really good information shared with the public.

Councilor Barron thanked the new Councilors for asking questions and being inquisitive about the information they seek.

Youth Advisory Report

None present.

Mayor Drotzmann asked when Youth Advisors would be attending again.

City Manager Smith stated he is working with Mr. Davis and hopes students will be assigned soon after school starts.

City Manager's Report

City Manager Smith spoke regarding:

- The Chamber's Volunteer Fair on Tuesday, October 24 from 12pm-4pm hosted at the Community Center stating many volunteer resources and opportunities will be available
- Representatives from the Chamber, ETOEC, and the City met today to begin planning of the Festival of Lights

Recess for Executive Session

At 8:49pm Mayor Drotzmann announced the City Council of the City of Hermiston will now meet in Executive Session in the Conference Center Rotary Room for the purpose of discussing matters pertaining to the review and evaluation of the employment-related performance of the City Manager. The Executive Session is held pursuant ORS 192.660 (2) (i) which allows the Council to meet in Executive Session to review and evaluate, pursuant to standards, criteria and policy directives adopted by the governing body, the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member unless the person whose performance is being reviewed and evaluated requests an open hearing.

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are excluded. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general



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subject of the session as previously announced. No final decision may be made in executive session. At the end of the executive session, the council will return to open session which the audience may attend. The executive session will last approximately 15 mins.

Reconvene- Consider Approval of Changes to the City Manager’s Employment Contract

Mayor Drotzmann reconvened the regular meeting at 9:16pm.

City Manager Smith asked that the Council consider a motion to extend his employment contract for an additional year.

Councilor Linton moved and Councilor McCarthy seconded to approve the contact amendment of City Manager Smith as presented. Motion carried unanimously.

Mayor Drotzmann stated there are calls to action items that are needed but overall, it has been an excellent year thanks to City Manager Smith.

Adjournment

Mayor Drotzmann adjourned the City Council meeting at 9:17pm as there was no other City business.



SIGNED:

Dr. David Drotzmann, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC, City Recorder



Smith Appeal



Smith Appeal



HWY 395 View



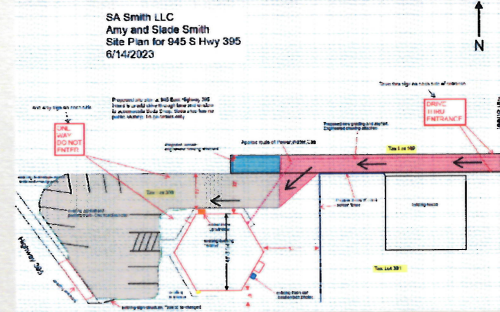
Smith Appeal



SE 4th St View



Smith Appeal



Site Plan



Water & Wastewater Service Agreement- ADS

Resolution 2287

What is it?

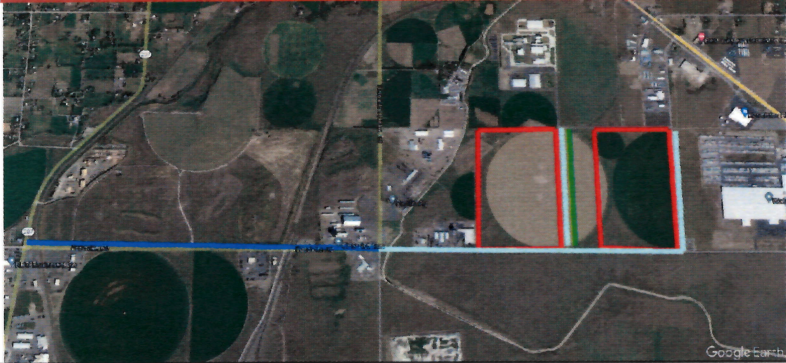
- Permanent Agreement for:
 - **Drinking Water**
 - **Sanitary Sewer**
 - **Industrial Process Sewer**
- Temporary Agreement for:
 - **Cooling Water (Bulk of the Agreement)**

When?

- Permanent Agreement for:
 - **Drinking Water:** 9/27/23 –
 - **Sanitary Sewer:** 9/27/23 –
 - **Industrial Process Sewer:** 9/27/23 –
- Temporary Agreement for:
 - **Cooling Water:** 9/27/23 – 2/1/25 (16 Months)

Where is it?

How?



Permanent Drinking Water

- Two Campuses
- 10,000 Gallons per Day Maximum
 - Equivalent to 21 Median Hermiston Household Users
- Water Price: Same as All other Customers
- System Development Charges: \$80,000
 - Equivalent to 255 single family homes



Sanitary Sewer

- Two Campuses
- 28,000 Gallons per Day Maximum
 - Equivalent to 168 Median Hermiston Household Users
- Sewer Price: Industrial Rate- Metered on Actual Flow
- System Development Charges: \$74,500
 - Equivalent to 261 Single Family Homes



Sanitary Sewer

- Employee Usage
 - Toilet Flushing
 - Sinks, Breakroom Food Prep, etc.
- Industrial Process Sewer
 - "Backwash"
 - Cleaning Filters which will filter particles from Columbia River Water
 - NOT actual cooling water
 - Backwash makeup reviewed by City Engineer





QUESTIONS?

Where Life is Sweet