



CITY COUNCIL

Work Session Meeting Minutes December 9, 2024

Mayor Drotzmann called the work session meeting to order at 6:00pm. Present were Councilors Primmer, Peterson, Myers, Duron, Linton, Hardin, McCarthy, and Barron. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Ignacio Palacios, City Planner Clint Spencer, HES General Manager Nate Rivera, and City Recorder Lilly Alarcon-Strong.

Meet & Greet Reception- Thanking outgoing Council Members and Congratulating New Elected Officials

Councilor Peterson

Mayor Drotzmann recognized Councilor Peterson for 4-years of service with a plaque and flowers and spoke regarding the unique perspective and underserved demographic Councilor Peterson brought to the Council that had been previously missing, making sure that these groups were advocated for. Councilor Peterson has struggled with health challenges but has worked hard to overcome them and make sure Councilor Peterson is present and engaged when able and has been a valuable resource to the Council and Community.

(Applause from the audience.)

Councilor Duron and Barron echoed Mayor Drotzmann's sentiments.

Councilor Peterson spoke regarding always wanting to live a life of service and has been grateful for this opportunity and being able to focus on staying true to priorities and values that were important for Councilor Peterson.

Councilor Hardin

Mayor Drotzmann recognized Councilor Hardin for 32-years of service with a custom engraved wallet and plant for his garden to never forget his time with the City and spoke regarding how Councilor Hardin has always been very thoughtful and kind with the best interest of the community at heart. Councilor Hardin has served in many committee's including the National League of Oregon Cities and has helped make a difference in Hermiston by attending these local and national conferences making sure to be engaged and bring back suggestions and answers for the betterment of Hermiston. Mayor Drotzmann thanked Councilor Hardin for 32 years of leadership, engagement, dedication, wealth of knowledge, and friendship; and thanked Councilor Hardin's family for supporting his commitment and time on the Council and to the City as this is time away from family.

(Applause from the audience.)

Councilor Myers, Duron, Barron, Linton, Primmer, echoed Mayor Drotzmann's sentiments.

Councilor Hardin stated he has enjoyed every minute of his time on the Council and has never felt that this role has been a burden. He has never had an agenda on wanting to serve in this role, and has only ever wanted what's best for Hermiston and had the pleasure to be involved in changes and see others take action, like Chet Prior and Dan Burns, to help our community grow from when he moved to Hermiston in the 80's with his young family with a population of about 8,000 to now being the largest City in Eastern Oregon. Councilor Hardin thanked everyone for their kind words and thanked all of his family to attending tonight's meeting.



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Public Comment

Joe Harns stated he was also a City Councilor who served with Councilor Hardin and knows first-hand the hard work that is involved with being a public servant, in this capacity, and thanked all the Council members and their families for their service.

Greg Hardin stated he is the youngest son of Councilor Hardin and also works for City County Insurance Services which has a relationship with the City of Hermiston, and many people whom he works with stated they have had many pleasant interactions with his father in his official capacity. Mr. Hardin stated he wanted the City to know Councilor Hardin has represented the City well. Mr. Hardin stated "I love you dad, and thank you so much for your service to your community."

Mayor Drotzmann

Council President Primmer recognized Mayor Dr. Drotzmann for 12-years of service with flowers and a shadow box filled with his gavel and name plate and thanked Mayor Drotzmann for his inspiring leadership filled with vision, wisdom, and tireless work ethic that has shaped Hermiston into a thriving community where families can prosper and businesses can grow. Mayor Drotzmann has championed initiative that have improved the quality of life for our residents, enhanced parks and recreation facilities, and fostered economic growth all while ensuring our children reap the benefits of what a good community can provide. Besides the many accomplishments of Mayor Drotzmann, what has set him apart is his character, integrity, compassion, and selfless and unwavering dedication to public service which has earned him respect and admiration of the entire community. Council President Primmer thanked Mayor Drotzmann for his service and asked that he continue to inspire and uplift others in the way only he can.

(Applause from the audience.)

Councilor Myers stated Mayor Drotzmann stepped in and was elected during a very contentious time where the City desperately needed a stoic and pragmatic leader. Mayor Drotzmann spent a countless amount of time and effort to bring peace and trust back into the community and stated she will miss him greatly.

Councilor Duron thanked Mayor Drotzmann for his leadership and being a mentor to not only all Council members, but to all that have the pleasure of being in contact with him, stating he is an amazing advocate for Eastern Oregon and represents the City of Hermiston well in all local and national platforms and has been grateful to serve with him.

Councilor Barron, McCarthy, Linton, and Hardin echoed the sentiments of the Council members.

Mayor Drotzmann thanked his family for their support and willingness to stand with him in this journey as he felt there was a need on the Council that he had the skills to address. Mayor Drotzmann thanked the three Council members elect for their willingness to step into this role and asked that each of them bring their voice, demographics, and life experiences to the table, but remember the most important thing is to represent Hermiston as a whole; listen more and talk less, always be informed, read agenda packets ahead of time, come to meetings prepared with good questions, never try to embarrass anyone in public and have those criticisms in private, have those hard conversations and voice your opinions but once a Council decision has been made-stand behind that decision, and is looking forward to seeing the changes they will be making.



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Mayor Drotzmann stated City staff, under the leadership of previous City Manager Ed Brookshier and current City Manager Byron Smith, have hired competent and intelligent administrative staff who has had virtually no to minimal turnover. Staff members are offered and take advantage of growth and development opportunities and become long-term employees, which is not common in government, and is a direct result of the quality of administrative leaders. City staff is hardworking, patient, and make themselves available for the Council and public alike and working with them has been a great experience.

Mayor Drotzmann stated 13 years ago, Council meetings were very different from how they are now. Council meetings were filled with rambunctious people and Council members endured a lot of verbal abuse and experienced recall efforts. However, these experiences helped create a different kind of Council meetings filled with more transparency and inclusiveness. Participation was still highly encouraged, but proper decorum was requested of each audience member so a productive meeting could be obtained. Mayor Drotzmann thanked the Council for all the work they have done to literally place Hermiston on the map, including road signs, as Hermiston became the largest city in Eastern Oregon; Funland Park and our parks systems in general are inclusive and amazing; our sustainable infrastructure, street, water, recycled water are safe, which is not always the case in many cities. These were some difficult conversations and decision that were had as many members of the public were very angry about rate increases, but safety and reliability are vital and now the city has both with the added benefits of implementing long-term growth into these plans. Please keep making the positive progress that we have made, challenge yourself, ask the hard questions, make the decisions, and let administration handle the rest.

Mayor Drotzmann quoted Teddy Roosevelt from 1910, "It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if they fail, at least fails while daring greatly, so that their place shall never be with those cold and timid souls who neither know victory nor defeat." Mayor Drotzmann encouraged current and future Council members to be the leaders the community needs them to be and thanked them for their partnership and friendship.

City Manager Smith thanked the outgoing council members for their leadership and announced the City is commissioning two benches, one in recognition of Mayor Drotzmann which will be placed at Funland Park for all of his efforts in this area, and the other in recognition of Councilor Hardin which will be placed in front of City Hall.

(Applause from the audience.)

Adjournment

Mayor Drotzmann adjourned the work session meeting at 7:01pm and stated the Council will take a 10-minute break and then convene for their regular council meeting.



CITY COUNCIL

Regular Meeting Minutes

December 9, 2024

Mayor Drotzmann called the regular meeting to order at 7:12pm. Present were Councilors Primmer, Peterson, Myers, Duron, Linton, Hardin, McCarthy, and Barron. 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, City Planner Clint Spencer, Court Administrator Jillian Viles, HES General Manager Nate Rivera, and City Recorder Lilly Alarcon-Strong. Also present was Municipal Court Judge Cameron Bendixsen. The pledge of allegiance was given.

Presentation- Hermiston School District (HSD) Updates

HSD Assistant Superintendent Jake Bacon gave updates to include: Christmas Express can food drive and fundraising efforts; Parent Guidance Series focusing on Suicide Prevention and Social Media; their website which has many resources; 12/20 last day of school for winter break with a return date of 01/07; and the new Unified Basketball Program for students with special needs which will have games on January 13, 27, and 29 at 4:00pm at the Highschool.

Citizen Input on Non-Agenda Items

None given.

Consent Agenda Items

Councilor Primmer questioned if item B should be moved to after the Public Hearing as it is directly related to this item. City Attorney Tovey, City Manager Smith, and City Planner Spencer agreed.

Councilor McCarthy moved and Councilor Duron seconded to approve Consent Agenda item A-D, with the exception of B, to include:

- A. City Committee Vacancy Announcements
- C. Certifying the 2024 General Election Results for Mayor and At-Large Councilors
- D. Minutes of the November 25 City Council Work Session and Regular Meeting

Motion carried unanimously.

Public Hearing- Rename a Portion of NE Hill View Drive to E Holt Ave (See Ordinance No. 2369)

After hearing no conflicts of interest from the City Council, City Planner Clint Spencer read the hearing guidelines and Mayor Drotzmann opened the Public Hearing at 7:24pm.

Clint Spencer spoke regarding renaming a portion of NE Hill View Drive to E Holt Ave as phase 2 of Sunset Estates Subdivision is underway and this new street extension requires the renaming of a portion of NE Hill View Drive in order to avoid confusion and creating a three-way intersection where all three legs of the intersection would be labeled as Hill View Drive.

Noone present wished to give public testimony, and the hearing was closed at 7:26pm.

Hearing no questions or comments from the Council, Mayor Drotzmann stated this item would be presented again during Ordinance No. 2369 for final action.



CITY COUNCIL

Regular Meeting Minutes

December 9, 2024

Ordinance No. 2369- Rename a portion of NE Hill View Drive to E Holt Ave

City Manager Smith stated this item was presented during the Public Hearing.

Mayor Drotzmann stated this street naming ordinance is a great way to show appreciation and recognition to a great community member, Carlisle Holt.

Mayor Drotzmann requested that the first reading be by title only. Hearing no opposition, City Attorney Tovey read the ordinance by title only. Mayor Drotzmann requested that the ordinance be put on for final adoption at this meeting and that the second reading be by title only. After City Attorney Tovey read the ordinance by title only for the second reading, Councilor McCarthy moved and Councilor Hardin seconded that Ordinance No. 2369 be adopted and become effective 30-days after adoption by the City Council. Motion carried unanimously.

Item(s) Removed From the Consent Agenda

- B. Replat Final Plat- Holt 4N2802AB Tax Lots 2100/2300/2400/2500/2600/9900/10000-6/8/10/12/14/16/18 Hill View Dr

Councilor Myers moved and Councilor Duron seconded to approve Consent Agenda Item B. Motion carried unanimously.

Resolution No. 2348- Authorizing City Staff to Initiate Proceedings to Adjust the Francise Fee Structure with PacifiCorp.- Assistant City Manager Morgan gave information (PowerPoint Presentation attached) stating the resolution would allow the City to adjust the utility's franchise fee from PacifiCorp (d.b.a Pacific Power) structure from a flat fee to one based off of percentages of sales within the city limits.

After further discussion, Councilor Primmer moved and Councilor McCarthy seconded to approve Resolution No. 2348 and lay upon the record. Motion carried unanimously.

(Please note: there are typo's in the Staff Report and Presentation referring to this Resolution as Resolution No. 2347 instead of Resolution No. 2348)

Resolution No. 2349- Adopting the Hermiston Energy Services (HES) Customer Service Policies, Rates, and Associated Fees Manual.- HES General Manager Nate Rivera gave information (PowerPoint Presentation attached) regarding direction on how to adjust rates for all service classes due to the increases in wholesale electricity prices, material cost increases, and HES's Construction Work Plan. HES General Manager Rivera presented two options based on Council feedback from the October presentation with customer survey information in favor of Option B, Rate adjustment in three phases: a 7.84% adjustment effective March 1, 2025, a 6.49% adjustment effective March 1, 2026, and a 5.19% adjustment effective October 1, 2026.

After further discussion and answering questions from the Council, Councilor McCarthy moved and Councilor Linton seconded to adopt Resolution No. 2349 with implementation of Option B and lay upon the record. Councilor McCarthy, Linton, Primmer, Duron, Myers, Hardin, and Peterson voted in favor; Councilor Barron voted against; Motion carried 7-1.



Where Life is Sweet

CITY COUNCIL

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December 9, 2024

November 2024 Financial Report

After Council discussion, Councilor Primmer moved and Councilor Myers seconded to accept the November Financial Report as presented (PowerPoint Presentation attached) by Finance Director Palacios, City Manager Smith, and Assistant City Manager Morgan. Motion carried unanimously.

Committee Reports

None given.

Mayor's Report

Mayor Drotzmann spoke regarding:

- Thanked all those involved in making the Tree Lighting Parade and Event a huge success, including those that participated in the Home Decoration Contest.
- Encouraged participation in the Land of Lights at EOTEC where walking or driving options are available as well as having fun at the temporary ice-skating rink, and thanked sponsors who supported this event.
- Attending the National League of City's (NLC) Conference and the many sessions related to AI

Council Reports

Councilor Duron welcomed the new council members and thanked both the exiting council members and those who ran but were not elected.

Councilor Peterson spoke regarding "joyful burdens" that we all carry, like being involved in government, and encouraged the public to read the book by Whitman.

Youth Advisory Report

None in attendance.

City Manager's Report

None given.

Oath of Office

City Recorder Alarcon-Strong administered the Oath of Office to Municipal Court Judge, Cameron R. Bendixsen; Mayor, Doug Primmer; and At-Large Councilors: Jeff Kelso, Maria E. Duron, Josh Roberts, and Allen Hayward.

Adjourn

There was no other business and Mayor Drotzmann adjourned the regular City Council meeting at 8:50pm.



SIGNED:

Doug Primmer, Mayor

ATTEST:

Lilly Alarcon-Strong, City Recorder



What will it do?

- Change existing Franchise with PacifiCorp (Pacific Power)
- Franchise Fee from Linear Foot to 5% of Revenue

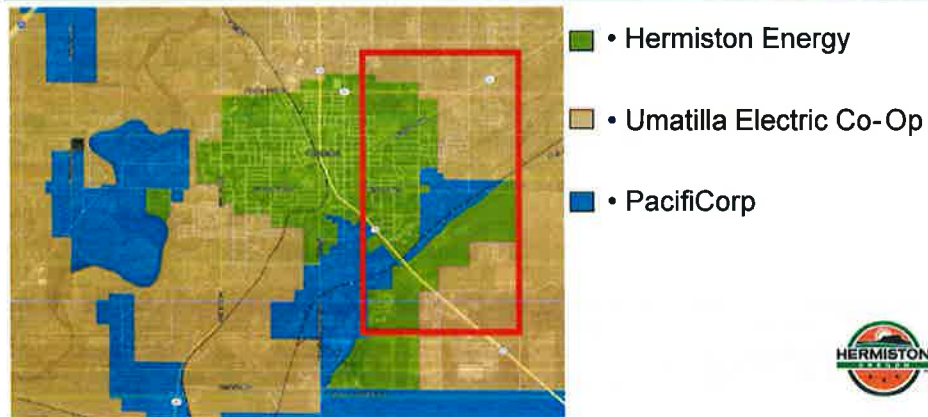
Utility Franchises Primer

- Typical among cities and utilities (power, gas, telecom, water/sewer)
- Establish rules for using publicly-owned rights-of-way
- Establishes fees in exchange for use of the public's real estate

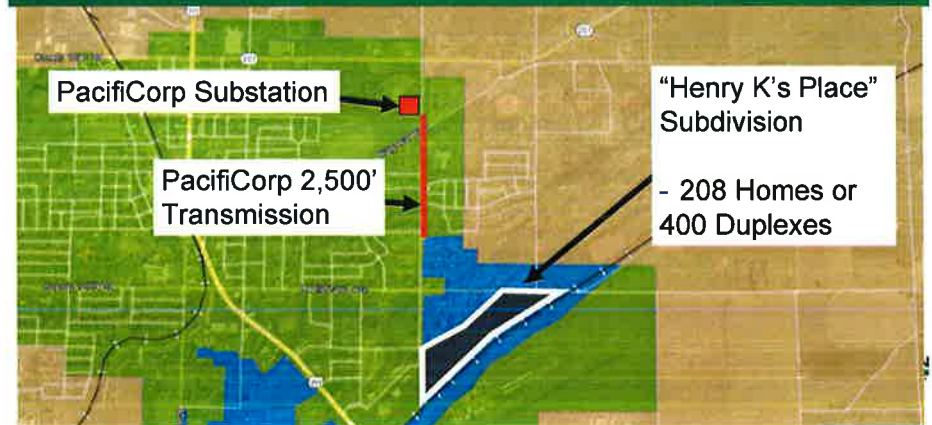
Utility Franchises Primer

- Percentage-Based Fees (Most Common)
- Linear-Foot-Based Fees (Typical for transient utilities)

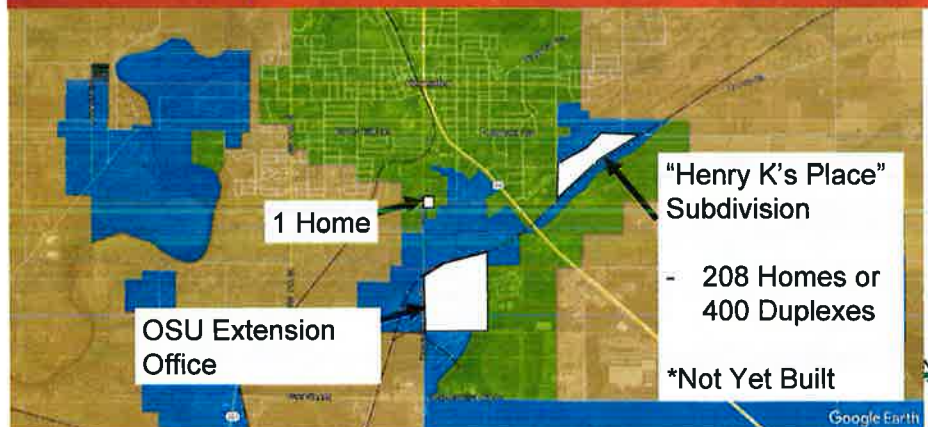
PacifiCorp Franchise History



PacifiCorp Franchise History



Initial Impact of 5% Fee Changes



Fiscal Information

- Current PacifiCorp Fee: \$2,500/yr
- Proposal changes to 5% of gross revenues
 - Minimum \$2,500/yr





Fiscal Information

- Typical Residential Customer: ~\$10/mo
- Henry K's Full Build Out: ~\$25K- \$50K per Year
- Revenue to General Fund
 - i.e.- Police, Library, Recreation, Airport, Senior Taxi, etc.
- All current customers in city limits already pay
 - Ensures equity



Questions?

Where Life is Sweet™



Hermiston Energy Services

Council Update – December 9, 2024



Council Update

- Update From October 28, 2024
- Cost Of Service Analysis (COSA)
- Rate Adjustment Options
- Council Decision



HES Cost of Service Analysis (COSA)



HES Residential Rate Comparison



* Based on 1,400 kWh per-month and 5% Franchise Fee/In-Lue of Tax Payment

HES Cost of Service Analysis (COSA)

- HES is a not-for-profit electric utility.
- Rates are set at actual cost, not profit or shareholder driven.
- Ability to collect appropriate revenue.
- Rates are stable and predictable.
- Rates are equitable among customer classes.
- Rates are easy to understand and feasible for HES to implement.
- To achieve this, we work with an independent third-party firm to perform a Cost-of-Service Analysis on behalf of HES customers.



HES COSA Results

- Know and shared that current rate structure does collect retail rate revenue based on actual costs needed to serve individual customer classes.
- In FY 2024-25, HES has \$4.46m in cash reserves.
 - HES anticipates using \$1.2m to offset revenue deficiencies in this budget.
 - Approved in May 2024 with HES's 2024-25 budget.
 - In 2025-26 FY HES Will Have \$3.26m Available In Reserves.*
 - \$1.5m is 60 Days of Operating Reserve.
- In FY 2025-26, HES Will Have a Projected \$2.1m Revenue Deficiency.
 - \$833k is BPA increases 2020-2025
 - \$1.1m is Capitol Improvement Plan.
 - \$109k is Materials and Services.



Key Drivers Of HES COSA

• BPA Projected Rate Increase:

- Three-Year Rate Proposal (Usually Two-Year)
- October 1, 2025
- 10.8% Power
- 21% Transmission

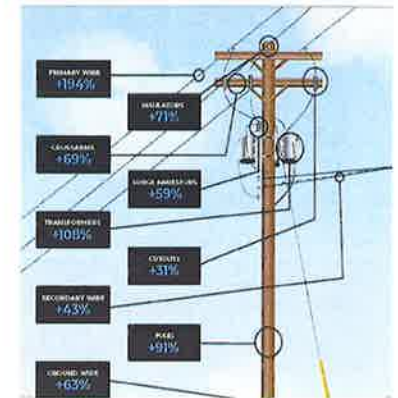
Bonneville
POWER ADMINISTRATION



Electric Utility Material Cost Increases

- **Transformers:** Costs have doubled due to increased demand, supply chain issues, and the need for grid modernization to support renewable energy. Aging units and growing electrification needs are also raising replacement costs, with demand expected to grow through 2050.
- **Cables:** Overhead and underground cable costs have surged, seeing up to a 194% price increase. This rise is mainly driven by material scarcity and the need for higher-specification materials for wildfire resilience.
- **Poles & Hardware:** The cost of power poles and related hardware has risen sharply, with steel and resin shortages adding to price hikes. Since 2020, power pole costs have gone up by 91%, straining budgets for regular maintenance and replacement efforts.

Price increases reflect the past 4 years



Construction Work Plan (CWP)

- Plan to replace all remaining overhead copper and URD conductors throughout Hermiston Energy Services' electric system.
- The existing copper lines are some of the oldest on the system and the most likely to cause outages (50+ Years Old).
- Replacing all copper conductors on the system will improve reliability by replacing the age-weakened conductor and upgrading the conductor's size in some locations, improving the backfeed capacity and future need of feeders.
- It will also reduce system losses.



Construction Work Plan (CWP)

Conductor Replacement Priority

- Outage history over the last seven years will be analyzed to help determine the priority needs of replacement.
- Customers who experienced recent outages will be prioritized in the early phases of replacement.
- Conductor testing and heat maps will be used to show the areas that experienced individual outages.



HES COSA Results



Individual Rate & Customer Class Adjustments

%



HES Rate Adjustment Options

- Option A
 - Rate Adjustment of 9.93% in March 2025, and 9.96% in March 2026.
 - Use \$985k of Reserves in FY 2025-26.
 - \$2.28m Remaining in Reserves.*
 - Average Residential Increase of 43¢ per-day in March 2025 + 43¢ per-day in March 2026.
- Option B
 - Rate Adjustment of 7.84% in March 2025, 6.49% in March 2026, and 5.19% in October 2026 (18 Months).
 - Use \$1.53m of Reserves = \$1.29m in FY 2025-26, and \$275k in FY 2026-27.
 - \$1.67m Remaining in Reserves.*
 - Average Residential Increase of 33¢ per-day in March 2025 + 30¢ per-day in March 2026 + 23¢ per-day in March 2026.

Option A: 9.93% + 9.96%

	\$/kWh			Demand			Customer Charge			% Change*	
	Now	Phase 1	Phase 2	Now	Phase 1	Phase 2	Now	Phase 1	Phase 2	Phase 1	Phase 2
Residential	7.39¢	8.13¢	8.94¢	-	-	-	\$21	\$23	\$25.25	9.52%	9.78%
Small Commercial	7.32¢	8.25¢	8.92¢	\$7.50	\$8.25	\$9.00	\$24	\$26.25	\$28.75	10.34%	10.05%
Large Commercial	5.43¢	5.93¢	6.43¢	\$7.25	\$8.00	\$9.00	\$160	\$175	\$190	9.48%	9.42%
Industrial	5.23¢	5.76¢	6.33¢	\$7.50	\$8.25	\$9.25	\$267.50	\$293	\$321.50	10.00%	10.50%
Irrigation	5.87¢	6.37¢	6.87¢	\$6.75	\$7.25	\$7.75	\$27.5	\$29.50	\$31.75	8.15%	7.56%
Overall Rate Adjustment										9.93%	9.86%

Option A Residential Rate Comparison



* Based on 1,400 kWh per-month and 5% Franchise Fee/In-Lue of Tax Payment

Option B: 7.84% + 6.49% + 5.19%

	\$/kWh				Demand				Customer Charge				% Change*		
	Now	Phase			Now	Phase			Now	Phase			Phase		
		1	2	3		1	2	3		1	2	3	1	2	3
Residential	7.39¢	7.93¢	8.47¢	8.94¢	-	-	-	-	\$21	\$23	\$24.75	\$25.25	7.81%	6.49%	5.22%
Small Commercial	7.32¢	7.89¢	8.43¢	8.92¢	\$7.50	\$8.25	\$8.75	\$9.00	\$24	\$26	\$27.50	\$28.75	8.16%	6.77%	5.15%
Large Commercial	5.43¢	5.78¢	6.13¢	6.43¢	\$7.25	\$8.00	\$8.50	\$9.00	\$160	\$175	\$185	\$190	7.49%	6.08%	5.05%
Industrial	5.23¢	5.61¢	5.96¢	6.26¢	\$7.50	\$8.25	\$9.00	\$9.25	\$268	\$312.50	\$312.50	\$321.50	8.36%	7.15%	4.33%
Irrigation	5.87¢	6.22¢	6.57¢	6.87¢	\$6.75	\$7.25	\$7.50	\$7.75	\$27.5	\$29.50	\$30.75	\$31.75	6.32%	5.03%	4.17%
Overall Rate Adjustments													7.84%	6.49%	5.19%

Option B Residential Rate Comparison



* Based on 1,400 kWh per-month and 5% Franchise Fee/In-Lieu of Tax Payment

HES Survey (November 2024)

- Please rank in order of importance your priorities for HES:

1. **Cost (51.2%)**
2. **Reliability (43.9%)**
3. **Safety (34.2%)**
4. **Customer Service (36.6%)**
5. **Environmental Impact (61%)**

- Hermiston Energy Services will request the City Council approve a rate adjustment for 2025. Choosing one option, would you prefer:

1. **Three Rate Adjustments over 18 Months Starting March 2025 (65.9%).**
2. **Two Rate Adjustments over 12 Months Starting March 2025 (22%).**
3. **One Rate adjustment in June 2025 (12.1%).**



HES Survey (November 2024)

- Moving forward, how would you like the Hermiston City Council to plan for anticipated increasing costs to maintain the Hermiston Energy Services utility?:

1. **Schedule Smaller, predictable Annual Rate Adjustments To Plan For Long-Term Needs (58.6%).**
2. **Adjust Rates and Use Reserve Funds as Needed To Meet Immediate Needs (26.8%).**
3. **Plan Year-by-Year adjustments based on anticipated Need For The Next Year (14.6%).**



HES Staff Recommendation

- Option A Is The Preferred Option:

- **Two Rate Adjustments over 12 Months:**
 - March 1, 2025 (9.93%) + March 1, 2026 (9.96%)
- **Starts Reducing Budget Deficit Earlier.**
- **Allows More Flexibility With Reserves Based on BPA and Material Cost Fluctuations.**



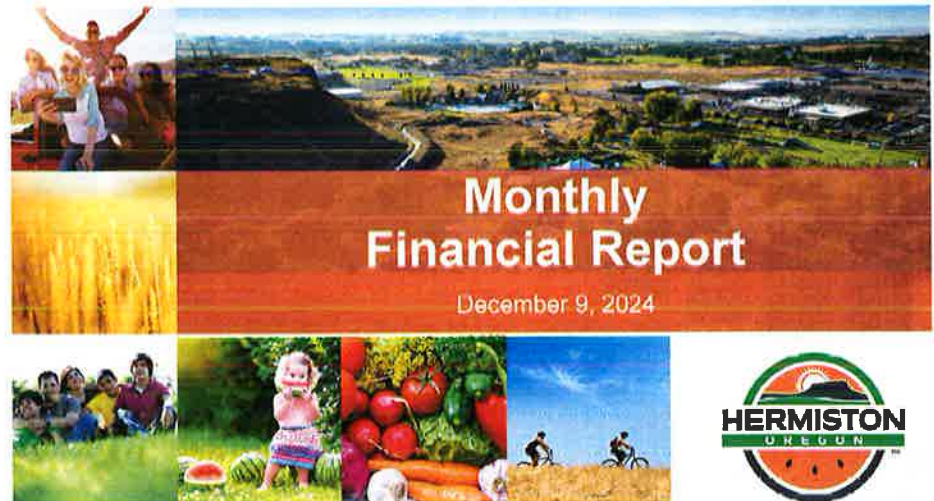
HES Programs

- **Energy Audits**
- **Heat Pump Replacement**
- **Weatherization Programs**
 - **Windows Replacement**
 - **Insulation Upgrades**
- **Clothes Washer Rebates**
- **Water Heater Rebates**



Questions

Where Life is Sweet



Hermiston Urban Renewal Agency (HURA)

- Property Taxes are being received (~99%)
- North Hermiston Urban Renewal Area – ROW negotiations have begun and projected to go out for bid in January 2025



General Fund

- Fifth month of 24-2025 fiscal year
- Monthly Revenues are below projections (~\$553,000)
 - **Primarily due to revenue timing (grant reimbursements, etc.)**
 - **Received 87% of budgeted property taxes**
 - Consistent with past three fiscal years at 92%, 82% and 87% (87% average), respectively



General Fund

- Monthly Expenses below projections by ~\$584,000
 - **Primarily due to expenses not yet incurred for various HPD projects**
 - **Five departments are over budget when compared to Projected**
 - City Council, Transportation, Parks, Public Safety Center and Court
 - When compared to budget to date (5/12 or 42%) only the Parks department is over budget (0.5%) due primarily to seasonal activity and an unanticipated equipment repair



Utility and Street Funds

- Observations:
 - **Street fund revenues under projections due to timing of STP proceeds**
 - **Utility fund ~\$1.46 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 ~2.3% over expectation



Utility and Street Funds, cont'd

- Observations:
 - **HES ~\$202k over projected expenditures**
 - When compared to budget meeting expectation at 36%
 - **Regional Water fund ~\$88k under projected revenue**
 - Revenues meeting budgeted expectations at 43%



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
- IT 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?

Where Life is Sweet™