



CITY COUNCIL & URBAN RENEWAL AGENCY

Budget Committee Meeting Minutes
May 31, 2023

City of Hermiston Budget Committee Meeting

Chair Misner opened the meeting of the Budget Committee to consider the proposed budget for the 2023-2024 fiscal year at 6:00pm. Present were Budget Committee members: Doug Primmer, David Hanson, Rod Hardin, Brian Misner, Jackie Myers, Maria Duron, Joshua Roberts, Roy Barron, Larry Lankford (participated through Zoom), Jackie Linton, Paul Magaña, Nancy Peterson, David McCarthy, Jason McAndrew, and John Douglass. Anton Wanous and Lori Davis were excused.

City Staff present included: City Manager Byron Smith, Assistant City Manager Mark Morgan, Chief Edmiston, Parks and Recreation Director Brandon Artz, IT Director Jordan Standley, Planning Director Clint Spencer, HES General Manager Nate Rivera, City Attorney Richard Tovey, Library Director Mark Rose, EOTEC General Manager Al Davis, Deputy City Recorder Heather La Beau, and City Recorder Lilly Alarcon-Strong.

Election of Secretary

Chair Misner stated the committee must elect a secretary as Anton Wanous was not able to attend. Doug Primmer moved and Roy Barron seconded the nomination of Joshua Roberts as the secretary. Motion carried unanimously.

Budget Presentation

Budget Officer Byron Smith presented, reviewed, and answered questions regarding the amended information of the City of Hermiston's FY 2023-24 Proposed Budget as directed by the Budget Committee at the May 11th meeting (PowerPoint Presentation and Handouts Attached) and stated the handouts are updated versions from those previously uploaded in the agenda packet, to include:

1. EOTEC Fund
2. Cash Forward (General Fund Sheet 1)
3. Police Operations (General Fund Sheet 2)
4. Library and Recreation (General Fund Sheet 3)
5. Non-departmental (General Fund Sheet 4)
 - a. Specifically reducing contractual items such as hiring consultants and software licensing
6. Eliminating Electric Costs in all General Fund Departments (General Fund Sheet 5)
7. Inter-fund Loans (General Fund Sheet 6)
8. HES Fund Expenditures
9. Water and Recycled Water Utility Fund Expenditures

Public Comment

None given.

Budget Approval

After much discussion, David Drotzmann moved and David McCarthy seconded to approve, as presented the:

1. EOTEC Fund
2. Cash Forward (General Fund Sheet 1)
3. Police Operations (General Fund Sheet 2), with the amendment to leave the three full-time officer positions in the budget as "frozen"



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4. Library and Recreation (General Fund Sheet 3)
5. Non-departmental (General Fund Sheet 4)
6. Eliminating Electric Costs in all General Fund Departments (General Fund Sheet 5)
7. Inter-fund Loans (General Fund Sheet 6)
8. HES Fund Expenditures
9. Water and Recycled Water Utility Fund Expenditures
10. Completely removing the Council Budget in the General Fund, including travel, training, wages, etc

Motion carried 15-1. David Drotzmann, Jason McAndrew, John Douglass, Doug Primmer, Rod Hardin, Brian Misner, Maria Duron, Joshua Roberts, Larry Lankford, Paul Magaña, Nancy Peterson, Roy Barron, Jackie Myers, David Hanson, and David McCarthy voted in favor; Jackie Linton voted against.

Joshua Roberts moved and Doug Primmer seconded to approve the Proposed Budget as Amended. Motion carried 15-1. David Drotzmann, Jason McAndrew, John Douglass, Doug Primmer, Rod Hardin, Brian Misner, Maria Duron, Joshua Roberts, Larry Lankford, Paul Magaña, Nancy Peterson, Roy Barron, Jackie Myers, David Hanson, and David McCarthy voted in favor; Jackie Linton voted against.

Adjourn City of Hermiston Budget Committee Meeting

There was no other business and Chair Misner adjourned the City of Hermiston Budget Committee meeting at 7:14pm.

Hermiston Urban Renewal Agency Budget Committee Meeting

Chair Misner opened the meeting of the HURA Budget Committee to consider the proposed budget for the 2023-2024 fiscal year at 7:14pm. Present were Budget Committee members: Doug Primmer, David Hanson, Rod Hardin, Brian Misner, Jackie Myers, Maria Duron, Joshua Roberts, Roy Barron, Larry Lankford (participated through Zoom), Jackie Linton, Paul Magaña, Nancy Peterson, David McCarthy, Jason McAndrew, and John Douglass. Anton Wanous and Lori Davis were excused.

City Staff present included: City Manager Byron Smith, Assistant City Manager Mark Morgan, Parks and Recreation Director Brandon Artz, IT Director Jordan Standley, Planning Director Clint Spencer, City Attorney Richard Tovey, Library Director Mark Rose, EOTEC General Manager Al Davis, Deputy City Recorder Heather La Beau, and City Recorder Lilly Alarcon-Strong.

Election of Secretary

Chair Misner stated the committee must elect a secretary as Anton Wanous was not able to attend. Doug Primmer moved and Roy Barron seconded the nomination of Joshua Roberts as the secretary. Motion carried unanimously.

Budget Presentation

City Manager Byron Smith stated the proposed Hermiston Urban Renewal Agency (HURA) Budget for the 2023-24 Fiscal Year as printed in the budget document is accurate. Unfortunately, the Finance Director did not inform HURA Budget Officer Clint Spencer of the decreased budget prior to his presentation and therefore Mr.



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Spencer presented a higher budgeted amount that had been originally hoped for and proposed when first evaluating the budget than what was later adjusted to in the proposed budget documents. The decreased budget will make less money available for façade grants.

Public Comment

None given.

Budget Approval

After questions and discussion of the proposed budget, David Drotzmann moved, and Joshua Roberts seconded to adopt the FY 2023-24 proposed HURA budget as presented. Motion carried unanimously.

David Drotzmann thanked the Budget Committee members for volunteering their time to make a difference in their community and specifically thanked Brian Misner, Anton Wanous, and Joshua Roberts for their roles as Chair and Secretaries of these meetings.

Adjourn Hermiston Urban Renewal Agency Budget Committee Meeting

There was no further business and Chair Misner adjourned the Urban Renewal Agency meeting at 7:19pm.

APPROVED:

Brian Misner, Budget Chair

ATTEST:

Joshua Roberts, Budget Secretary

EOTEC Fund (pg. 70) Sheet

Revenues

- Increase Trans from Res-EOTEC Equipment from \$165,000 to \$425,600
- Reduce Miscellaneous Revenue from \$315,000 to \$0

Expenditures

- Reduce Miscellaneous Contractual line from \$122,000 to \$95,000.
 - Reduce Advertising and Marketing from \$50,000 to \$30,000.
 - Reduce Travel Expenses from \$4,800 to \$2,400.
 - Reduce Minor Safety Equipment from \$3,600 to \$600.
 - Reduce Contracted/Operational Serv from \$2,000 to \$0.
-
- Make all appropriate changes to the Reserve Fund to match the above changes.



General Fund Sheet 1

Cash Forward (pg. 9)

Revise Cash Forward amount (\$679,240)

Resources

- Increase Cash Forward from \$327,439 to \$1,006,669 (\$679,240)

Revision in Projected Cash Forward due to unanticipated revenues received in April.



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General Fund Sheet 2

Police Operations (pg. 35)

Remove Three Additional Police Officers (-\$392,432)

Expenditures

- Reduce Salary and Wages line from \$3,567,064 to \$3,370,522 (-\$196,542)
- Reduce Social Security line from \$273,592 to \$258,557 (-\$15,035)
- Reduce Retirement line from \$1,195,340 to \$1,180,305 (-\$65,232)
- Reduce Medical, Dental & Life Ins line from \$867,136 to \$788,236 (-\$78,897)
- Reduce Long Term Disability line from \$19,958 to \$18,836 (-\$1,122)
- Reduce Unemployment line from \$25,035 to \$23,659 (-\$1,376)
- Reduce Paid Leave Oregon line from \$14,305 to \$13,519 (-\$786)
- Reduce Accident Insurance line from \$74,412 to \$69,970 (-\$4,442)

- Reduce Leased Vehicles line from \$158,000 to \$129,000 (-\$29,000)



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General Fund Sheet 3

Library (pg. 25)/Recreation

**Freeze Two Vacant Part-time Library Assistant positions.
(-99,849)**

Mark Rec. Coordinator position as frozen and not eliminated.

Expenditures

- Reduce Salary and Wages line from \$562,169 to \$490,982 **(-\$71,187)**
 - Reduce Social Security line from \$43,014 to \$37,568 **(-\$5,446)**
 - Reduce Retirement line from \$176,426 to \$154,057 **(-\$22,369)**
 - Reduce Unemployment Insurance line from \$3,936 to \$3,438 **(-\$498)**
 - Reduce Paid Leave Oregon line from \$2,249 to \$1,964 **(-\$285)**
 - Reduce Accident Insurance line from \$506 to \$442 **(-\$64)**
-
- On Page XVIII of the Personnel Distribution place an “*” next to the 3.28 Library Assistants with a corresponding footnote at the bottom of the page stating, “These number includes two part-time positions that were left unfunded in the 2023-24 budget.”
 - On Page XVII of the Personnel Distribution increase the approved number of Recreation Coordinators from 2.00 to 3.00 with an asterisk next to it and below a corresponding footnote at the bottom of the page stating, “This number includes one full-time position that is unfunded in the 2023-24 budget.”



General Fund Sheet 4

Non-departmental (pg. 38)

Remove \$100,000 from non-departmental. **(-\$100,000)**

Expenditures

- Reduce Miscellaneous Contractual line from \$515,000 to \$415,000.



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General Fund Sheet 5

Eliminate Electricity costs in all General Fund Departments.
(-\$95,600)

Expenditures

- Airport (pg. 19) – Reduce Electricity line from \$8,000 to \$0 **(-\$8,000)**
- Building (pg. 20) – Reduce Electricity line from \$600 to \$0 **(-\$600)**
- Parks (pg. 21) – Reduce Electricity line from \$20,000 to \$0 **(-\$20,000)**
- Pool (pg. 23) – Reduce Electricity line from \$25,000 to \$0 **(-\$25,000)**
- Library (pg. 25) – Reduce Electricity line from \$10,000 to \$0 **(-\$10,000)**
- Community Ctr (pg. 27) – Reduce Electricity from \$14,000 to \$0 **(-\$14,000)**
- Harkenrider Ctr (pg. 28) – Reduce Electricity from \$6,000 to \$0 **(-\$6,000)**
- Public Safety Ctr (pg. 32) – Reduce Electricity from \$12,000 to \$0 **(-\$12,000)**



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2023-24 Budget Pt. 2

May 31, 2023



Agenda

- Review of May 11, 2023 Meeting
- Clarify Timing
- Present Options
 - **EOTEC Fund**
 - **General Fund**
 - **Other Funds**



May 11, 2023 Meeting

- Adopted the tax rate but not budget
- Find some level of cuts prior but continue with short term interfund loan.



I Love My City



Video of Volunteers working to lay sod at Horizon Park during the I Love My City Event on May 20th, 2023.



Timing Clarification

- General Fund Can Function on 7+ months of Other Revenue without needing the borrowed funds.
- Solutions/changes can be formulated, reviewed and adopted prior to that 7-month timeframe.
- Depending on the solutions/changes, we may need to borrow \$0 but for sure not the full budgeted loan amount.
- It is a need for the adopted budget to be balanced.



Budget Options

- EOTEC
 - Question on this budget with the miscellaneous revenue category
 - Find attached EOTEC sheet with list of changes to 8 lines on pages 70-71





Budget Options

- General Fund Sheet 1 – Cash Forward
 - Review Proposed Changes on General Fund Sheet 1
 - Received extraordinary revenue in April
 - Permits related to Amazon Construction
 - Contractual revenue from the City of Umatilla
 - Necessary to make this change but these revenues will be examined closely before using in a long-term fashion



Budget Options

- General Fund Sheet 2 – Additional Police Officers
 - Review Proposed Changes on General Fund Sheet 2
 - Application has been submitted to USDOJ for a COPS grant for three officers.
 - These grants are three years long and phase in full costs of the officers
 - We anticipate finding out in late summer.





Budget Options

- General Fund Sheet 3 – Freeze two part-time library positions
 - Review Proposed Changes on General Fund Sheet 3
 - Both positions vacant due to recent resignations
 - Leave positions in budget but unfunded
 - Do the same with recreation coordinator position



Budget Options

- General Fund Sheet 4 – Miscellaneous Contractual
 - Review Proposed Changes on General Fund Sheet 4





Budget Options

- General Fund Sheet 5 – Electricity Costs
 - Review Proposed Changes on General Fund Sheet 5



Budget Options

- General Fund Sheet 6 – Interfund Loans
- HES Fund Sheet – Interfund Loans
- Utility Fund Sheet – Interfund Loans
 - Review Proposed Changes on the above sheets





Proposed Solution

- Proposed Solution
 - Take a **\$673,000** short-term loan from utilities for balanced budget
 - Deep dive general fund needs/wants and possible additional revenue sources
 - Establish 5-year model and add policy on one-time revenues



DISCUSSION!

QUESTIONS?

Thank You!

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