



CITY COUNCIL

Community Center – 415 S. Hwy 395

Where Life is Sweet

July 25, 2022 at 7:00 PM

AGENDA

*Other ways of viewing or participating in live meetings are available through:
YouTube at: <https://bit.ly/HermistonYoutube>*

*Zoom with Meeting ID: 862 026 140 4112 Passcode: 203345 Telephone number to join is: 1
253 215 8782; or submitting comments to meetings@hermiston.or.us*

1. CALL REGULAR MEETING TO ORDER – 7:00 PM

2. DECLARATION OF QUORUM

3. FLAG SALUTE

4. PROCLAMATIONS, PRESENTATIONS AND RECOGNITIONS

A. Proclamation- National Night Out 2022

5. CITIZEN INPUT ON NON-AGENDA ITEMS

Anyone wishing to bring anything before the council that is not on the agenda is asked to please do the following: 1. Please limit comments to not more than FIVE minutes; 2. State your name and address; 3. Direct your comments to the Chair.

6. CONSENT AGENDA

A. Replat- Campbell 1660 N First St 4N2802CB Tax Lot 5900

B. Committee Vacancy Announcements

C. Confirmation of appointment to the Planning Commission: Patrick Collins, Position 4, remaining 3-year term ending March 31, 2023

D. Confirmation of appointment to the Parks and Recreation Committee: Angel Aguilar, Position 6, 3-year term ending October 31, 2025

E. Confirmation of appointment to the Parks and Recreation Committee: Nicole Westing, Position 7, remaining 3-year term ending October 31, 2023

- F. Confirmation of appointment to the Library Board: Erick Peterson, Position 4, 4-year term ending June 30, 2026
- G. Recommendation of appointment to the EOTEC Advisory Committee: Patrick Collins, Position 5, 3-year term ending June 30, 2025.

H. Minutes of the July 11, City Council Work Session and Regular Meetings

7. ITEMS REMOVED FROM CONSENT AGENDA

8. PUBLIC HEARINGS

- A. Annexation- Pena 120 E Oregon Ave & 1650 NE North St 4N2802CB Tax Lots 5400 and 5500

9. ORDINANCES AND RESOLUTIONS

- A. Ordinance No. 2339- Annexation of 120 E Oregon Ave & 1650 NE North St 4N2802CB Tax Lots 5400 and 5500 (See "Public Hearing" Section Above)
- B. Ordinance No. 2340 - Declaring a Ban on Psilocybin Service Centers or Manufacture of Psilocybin in the City of Hermiston and Referral to Electors
- C. Resolution 2235- NW 3rd Street Roadway Improvements Contract Award.

10. OTHER

- A. Decision related to EOTEC Field Development
- B. 4th Quarter Investment Report FY2022
- C. June 2022 Financial Report

11. COMMITTEE REPORTS

- A. City Committee and Liaison:

Airport Advisory, Budget, Hispanic Advisory, Library Board, Parks and Recreation, Planning Commission, Recreation Projects Fund, Faith-Based Advisory, Community Enhancement, Community Accountability, Public Safety, Public Infrastructure, Transit Planning, EOTEC

- B. Mayor's Report
- C. Council Report
- D. Youth Advisory Report
- E. Manager's Report

12. ADJOURN

**** AMERICANS WITH DISABILITIES ACT NOTICE****

Please contact Hermiston City Hall, 235 E Gladys Ave, Hermiston, OR 97838 (Phone No. 541-567-5521) at least 48 hours prior to the scheduled meeting time if you need an accommodation. TTY and TDD users please call Oregon Telecommunications Relay Service at 1-800-735-2900 or 711.



PROCLAMATION

National Night Out 2022

WHEREAS, the National Association of Town Watch (NATW) is sponsoring a unique, nationwide crime, drug and violence prevention program on Tuesday, August 2, 2022 entitled “National Night Out”; and

WHEREAS, the “39th” Annual National Night Out” provides a unique opportunity for the City of Hermiston to join forces with thousands of other communities across the country in promoting cooperative, police-community crime prevention efforts; and

WHEREAS, the citizens of our neighborhoods and Neighborhood Watch play a vital role in assisting the Hermiston Police Department through joint crime, drug, and violence prevention efforts in the City of Hermiston; and

WHEREAS, police-community partnerships, neighborhood safety, awareness and cooperation are important themes of the “National Night Out” program;

NOW, THEREFORE I, Dr. David Drotzmann, do hereby call upon all citizens of Hermiston to join the Hermiston Police Department, the National Association of Town Watch in supporting the “39th Annual National Night Out” on Tuesday, August 2nd, 2022.

FURTHER, LET IT BE RESOLVED THAT, I, Dr. David Drotzmann, do hereby proclaim Tuesday, August 2nd, 2022, as “National Night Out 2022” in the City of Hermiston.

Dr. David Drotzmann, Hermiston City Mayor



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 25, 2022

Title/Subject

Replat- Campbell 1660 N First St 4N2802CB Tax Lot 5900

Summary and Background

Tyler Campbell has submitted a replat adjusting the boundary of property located at 1660 N First St. The property is approximately 1.86 acres and contains a vacant sales office. The proposal will create two lots. Parcel 1 will be 1.04 acres and Parcel 2 will be 0.82 acres in size. Parcel 2 is the proposed location for a drive-through food establishment. Replatting is necessary to create the parcel proposed for development and to eliminate existing property lines within the Hal Brandt tracts. The existing property lines create a hinderance to commercial development. Their removal is necessary to avoid building code requirements triggered when a structure is built across property lines.

The property is zoned Outlying Commercial (C-2). The property is described as 4N2802CB Tax Lot 5900.

The planning commission approved a setback variance for the proposed restaurant on Parcel 2 on June 8, 2022. The conditions of variance approval remain in effect on Parcel 2. Additionally, site plan approval for the restaurant was conditionally granted on July 8, 2022. Conditions of approval for the site plan review are a separate document but will also apply to Parcel 2.

Public notice was provided for the proposed replat. Notice of the proposed land use action was mailed by direct mail to all property owners within 100 feet on June 17, 2022. A sign informing the public of the proposal was placed on the property on June 17, 2022.

The criteria that are applicable to the decision to accept the proposed replat are contained in §154.46 of the Hermiston Code of Ordinances.

The final plat requirements and findings are attached to this report as Exhibit A. The recommended conditions of approval are attached as Exhibit B. The final plat as prepared by the surveyor is attached as Exhibit C. The map and aerial photo showing the property boundary, adjacent streets, and parcels is attached as Exhibit D.

Tie-In to Council Goals

Approval of plats is a matter of administration of City ordinances.

Fiscal Information

There will be no financial change as a result of the partition. Subsequent economic development may generate revenue but it is not possible to calculate at this time. The current assessed value of the property is \$293,110.

Alternatives and Recommendation

Alternatives

Staff recommends the city council approve the final plat with the conditions.

Recommended Action/Motion

- Motion to approve the final plat subject to the conditions

Submitted By:

Exhibit A
Findings of Fact
Hermiston Commercial Corner Replat
1660 N First St
July 25, 2022

Design Standards

§154.15 Relation to Adjoining Street System.

The property is serviced by N First Street, E Oregon Ave and NE North St.

§154.16 Street and Alley Width.

No streets or alleys are proposed as part of the partition. The property is currently serviced by N First St, E Oregon Ave and NE North St. Parcel 1 has 128.24' of N First St frontage and will retain highway access. Parcel 1 has 125.35' of NE North St frontage. Parcel 2 has 100' of N First St frontage, 100' of NE North St frontage and 260' of frontage on E Oregon Ave. Parcel 2 will not access to N First St, driveways are proposed on both NE North St and E Oregon Ave.

§154.17 Easements.

There is a 25' utility easement dedicated on this plat for utilities. The easement is intended to accommodate sewer service to both parcels. There is an existing sewer line serving the existing building on Parcel 1. This building is planned for removal and the sewer line will be abandoned. The easement is shown on the plat and the easement requirements are satisfied.

§154.18 Blocks.

Block standards in this section are specific to residential development. No block spacing standard is required for this partition.

§154.19 Lots.

The proposed partition will create two lots. Parcel 1 contains a vacant sales office and is 45,233 square feet. Parcel 2 is undeveloped and is 35,569 square feet.

The preliminary plat provides for the creation of two lots meeting the design standards in 154.19.

§154.20 Character of Development.

The property is zoned C-2. Uses permitted in the C-2 zone are listed in 157.041 of the Hermiston Code of Ordinances. There is no minimum lot size in this zone. The applicant proposes the replat to create a new parcel for development of a restaurant with drive-through.

§154.21 Parks, School Sites and the Like.

The comprehensive plan and parks master plan do not indicate a need for any parks or schools in the vicinity of the proposed partition.

§154.22 Access Management.

Driveways are proposed on E Oregon Ave and NE North St for Parcel 2. Parcel 1 will retain the existing N First St access.

§154.35 Preliminary Plat Requirements

This replat contains two lots and is considered a replat removing platted lot lines, but also functions as a minor partition creating two lots from one parent parcel. Under §154.35(B), minor partitions containing three lots or fewer, may be exempt from preliminary plat review and proceed directly to final platting.

Minimum Improvements Required

§154.60 Permanent Markers

Permanent markers shall be set as shown on the final plat in accordance with ORS 92.050 through 92.080.

154.61 General Improvements

N First St is a fully improved state highway. E Oregon Ave is a paved city street with full improvements on the north side of the street. NE North St is an unimproved portion of city street adjacent to the property. Parcel 2 will be responsible for constructing street improvements to the respective street frontages of E Oregon Ave and NE North Street at such time that development occurs on said lot. Parcel 1 will be responsible improvements to NE North Street at such time that development occurs on Parcel 1.

§154.62 Water Lines

Water lines exist in N First St, E Oregon Ave and NE North St. No upgrades are necessary. All costs associated with connection to municipal water service shall be borne by the developer.

§154.63 Sanitary Sewer System

Sewer lines exist in E Oregon Ave, NE North St and on the west side of N First St. No upgrades are necessary. All costs associated with connection to municipal sewer service shall be borne by the developer.

The sales office located on Parcel 1 is currently served by a private line from E Oregon Ave. Abandonment of this connection is required for replat approval. Without abandonment, the existing sewer line will be located under the proposed restaurant on Parcel 2.

Final Plat

Per §154.46 of the Hermiston Code of Ordinances, the final plat shall show:

- (A) The boundary lines of the area being subdivided, with accurate distances and bearings. **Shown as required**
- (B) The lines of all proposed streets and alleys with their width and names. **Shown as required however, correction is needed to label NE North St on the plat**
- (C) The accurate outline of any portions of the property intended to be dedicated or granted for public use. **Shown as required**
- (D) The line of departure of one street from another. **Shown as required**
- (E) The lines of all adjoining property and the lines of adjoining streets and alleys with their widths and names. **Shown as required however, correction is needed to correctly show NE North Street on the plat**
- (F) All lot lines together with an identification system for all lots and blocks. **Shown as required**
- (G) The location of all building lines and easements provided for public use, services or utilities. **Shown as required**
- (H) All dimensions, both linear and angular, necessary for locating the boundaries of the subdivision, lots, streets, alleys, easements, and other areas for public or private use. Linear dimensions are to be given to the nearest 1/10 of a foot. **Shown as required**
- (I) All necessary curve data. **Shown as required**
- (J) The location of all survey monuments and bench marks together with their descriptions. **Shown as required**
- (K) The name of the subdivision, the scale of the plat, points of the compass, and the name of the owners or subdivider. **Shown as required**
- (L) The certificate of the surveyor attesting to the accuracy of the survey and the correct location of all monuments shown. **Shown as required.**
- (M) Private restrictions and trusteeships and their periods of existence. Should these restrictions or trusteeships be of such length as to make their lettering on the plat impracticable and thus necessitate the preparation of a separate instrument, reference to such instrument shall be made on the plat. **No restrictions are proposed and none are referenced on the plat**
- (N) Acknowledgment of the owner or owners to the plat and restrictions, including dedication to public use of all streets, alleys, parks or other open spaces shown thereon, and the granting of easements required. **Shown as required.**

- (O) Certificates of approval for endorsement by the city council and certificate indicating its submission to the planning commission, together with approval for endorsement by other local, county and/or state authority as required by Oregon statutes. **Shown as required.**

Chapter 157: Zoning

§157.041 Outlying Commercial Zone (C-2)

There is no minimum or maximum lot size in this zone. Parcel 1 is 45,233 square feet and Parcel 2 is 35,569 square feet. The existing sales office is a permitted use in the C-2 zone. The proposed redevelopment of Parcel 2 into a restaurant with drive-through is also a permitted use in the C-2 zone.

§157.101 Development Hazard Overlay

Figure 12 of the Hermiston Comprehensive Plan indicates that this property is subject to development hazards due to excessively well drained soils. Therefore as a condition of approval the city shall prohibit the outdoor storage of hazardous chemicals and underground storage of gasoline and diesel fuels.

Exhibit B

Conditions of Approval

Hermiston Commercial Center Replat

1660 N First St

July 25, 2022

1. The applicant shall work with and receive certification from the Hermiston Irrigation District prior to obtaining city signature on the final plat.
2. Sewer and water connections shall be approved by City Staff. All costs associated with permits and installation shall be borne by the property owner.
3. The existing sewer line from E Oregon Ave serving the sales office shall be abandoned.
4. Comprehensive Plan Figure 12 identifies this site as an area subject to development hazards due to excessively well drained soils. Therefore, the City will prohibit the outdoor storage of hazardous chemicals and underground storage of gasoline and diesel fuels.
5. The applicant shall sign a street improvement agreement to participate in the future improvement of E Oregon Ave with curb, gutter, sidewalk, paving, and drainage improvements.
6. The applicant shall sign a street improvement agreement to participate in the future improvement of NE North St with curb, gutter, sidewalk, paving, and drainage improvements.
7. NE North Street shall be labeled and mapped on the plat as required by §154.46 of the Hermiston Code of Ordinances.

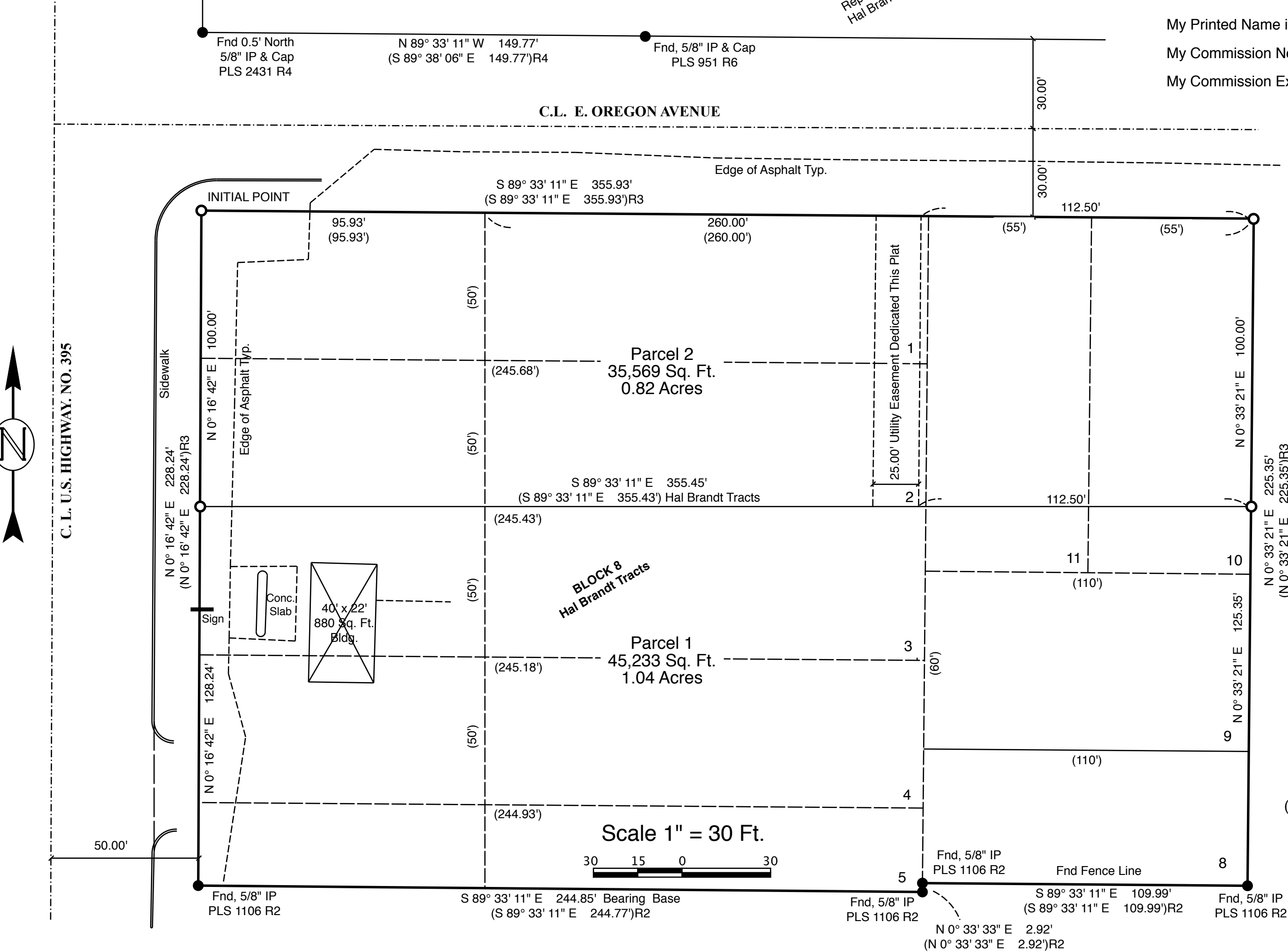
Hermiston Commercial Corner

A Replat of Lots 1-5 & 8-11 of Block 8 of Hal Brandt Tracts
Township 4 North, Range 28, E.W.M., NW 1/4 of SW 1/4 of Section 02,
Hermiston, Oregon 97838, Umatilla County
For: Larry Campbell, Larry R. Campbell Revocable Living Trust
80492 Sunshine Lane
Hermiston, Oregon 97838

PROPERTY DESCRIPTION:

Tax Lot 5900 - Larry Campbell Revocable Living Trust
Deed 2017-6640437
Map No. 04N2802CB, 80802 Sq. Ft., 1.85 Acres

A parcel of land lying in the Northwest Quarter of the Southwest Quarter of Section 2, Township 4 North, Range 28 East, W.M., said parcel being in Block 8 of the Hal Brandt Tracts, and being further described as:
Beginning at the Northwest corner of said Block 8; thence Easterly along the North line of said Block a distance of 95.93 feet to the Northwest Corner of that tract of land belonging to Archie Kennedy, et,ux, by Warranty Deed recorded in Book 259, Page 67 of the Deed records of Umatilla County, OR, said point also being the Northwest Corner of that tract of land conveyed to Larry Campbell by Warranty Deed recorded on Roll 75, Book 366 of the Deed records of Umaila County; thence continuing East along the North line of Block 8 a distance of 260 feet, more or less, to the Northeast corner of Block 8 and the Northeast corner of that tract belonging to Larry Campbell; thence South along the East line of said Block 8 a distance of 225 feet to the Southeast corner of said Campbell tract, said point being on the North line of that tract belonging to Schnell as recorded on Roll 9, Page 1887 of the Deed Records of Umatilla County; thence North 89°33'11" West along said North line, and the South line said Campbell tract a distance of 109.99 feet to the Northwest corner of the Roll 99, page 1887 tract; thence South 0°33'33" West a distance of 2.92 feet; thence continuing South 0°33'33" West along said Schnell North line and Campbell South Line and Kennedy South line a distance of 244.77 feet to the Southwest corner of said Kennedy tract, said point being on the westline of said Block 8; thence North along the West line of said Block 8 a distance of 228.24 feet to the the Point of Beginning.
All being in the city of Hermiston, Umatilla County, Oregon. Area being 1.84 acres, more or less.



SURVEYORS CERTIFICATE & NARRATIVE:

I, Ronald V. McKinnis, being a Registered Professional Surveyor of the State of Oregon, certify that I have correctly Surveyed and Monumented the lands as Described in the Property Description on the face of this Plat, and that this Plat meets all the requirements as established by Chapter 92, Oregon Revised Statutes. The INITIAL POINT for this Partition is my monument set at the Northwest Corner of Parcel 2, on the South edge of Oregon Avenue.

This survey is based on Block 8 of Ha Brandt Tracts and a survey by Wells for Schnell where Wells established the South line of the Campbell Parcel, being also the North line of the Schnell tract. My Basis of Bearing is that of Wells, C.S. 84-001-B. I re-established the boundaries of the subject property based on the Plat of Hal Brandt Tracts, the Deed 2017-6640437, Krumbein's survey that the legal description was based on, and the right of ways of Oregon Avenue & Hwy 395 as shown. I divided the parent Tract into Two (2) Parcels as shown in this survey and as desired by the owner. This survey was completed with a Trimble GPS RTK Total Station.

OWNER'S DECLARATION & DEDICATION:

I, the undersigned representative of the owner of the lands as shown on this plat, do hereby Dedicate the 25.0' Utility as depicted on the face of this Plat, I do herebyacknowledge that I have caused this plat to be created, I authorized that this Plat be prepared in accordance with the provisions of ORS Chapter 92, and I recognize this Plat as the Official Plat and Map of the Partition as filed in the County of Umatilla, State of Oregon.

By OWNER:

Tyler Campbell, Authorized Representative for Larry R. Campbell
Larry R. Campbell Revocable Trust

On this _____ day of _____, 2022, the above individual appeared personally before me and is known to me to be the identical individual who executed this plat declaration and acknowledged that they did so freely and voluntarily.

Before me: _____
Notary Public for Oregon

My Printed Name is _____

My Commission No. is _____

My Commission Expires _____

Record Surveys:

R1 Thompson for Time Oil Company, C.S. H-024-Ax, 1970
R2 Wells for E.S. Schnell, C.S. 84-001-B, 1984
R3 Krumbein for Campbell Motors, C.S. 85-042-B, 1985
R4 McKinnis for Johnson & Doty, C.S. 95-120-B, 1995
R5 Wallulis for E.S. Schnell, C.S. P-057-B, 1978
R6 Edwards for Johnson, C.S. 01-191-B, 2001

I do hereby certify that this is a true and exact copy of the Original Partition Plat as filed for Larry R. Campbell Trust in Umatilla County.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

PRELIMINARY

OREGON
RONALD V. MCKINNIS
JAN. 23, 1990
2431

Expires 12-31-22

LEGEND

- SET MONUMENTS - 5/8" x 30" Iron Rebar W/ Plastic Caps Stamped - L.S. # 2431
- FOUND MONUMENTS - As Noted W / Survey Referenced
- ∅ CACULATED CORNER (Not Set)
- Hal Brandt Tracts Lot Lines
- - - - STREET CENTER LINES
- REPLAT BOUNDARY

(000)R0 RECORD Bearing & Distance W/ Reference

APPROVALS:

I certify that I have examined and approved this Replat on this _____ day of _____, 2022

Umatilla County Surveyor

I certify that I have examined and approved this Replat on this _____ day of _____, 2022

City of Hermiston Planning Commission

I certify that I have examined and approved this Replat on this _____ day of _____, 2022

Mayor of City of Hermiston

I certify that I have examined and approved this Replat on this _____ day of _____, 2022

Hermiston Irrigation District

I certify that I have examined and approved this Replat on this _____ day of _____, 2022

Umatilla County Tax Assessor

I certify that I have examined and approved this Replat on this _____ day of _____, 2022

Umatilla County Tax Collector

We certify that We have examined and approved this Replat on this _____ day of _____, 2022

Umatilla County Commissioner

Umatilla County Commissioner

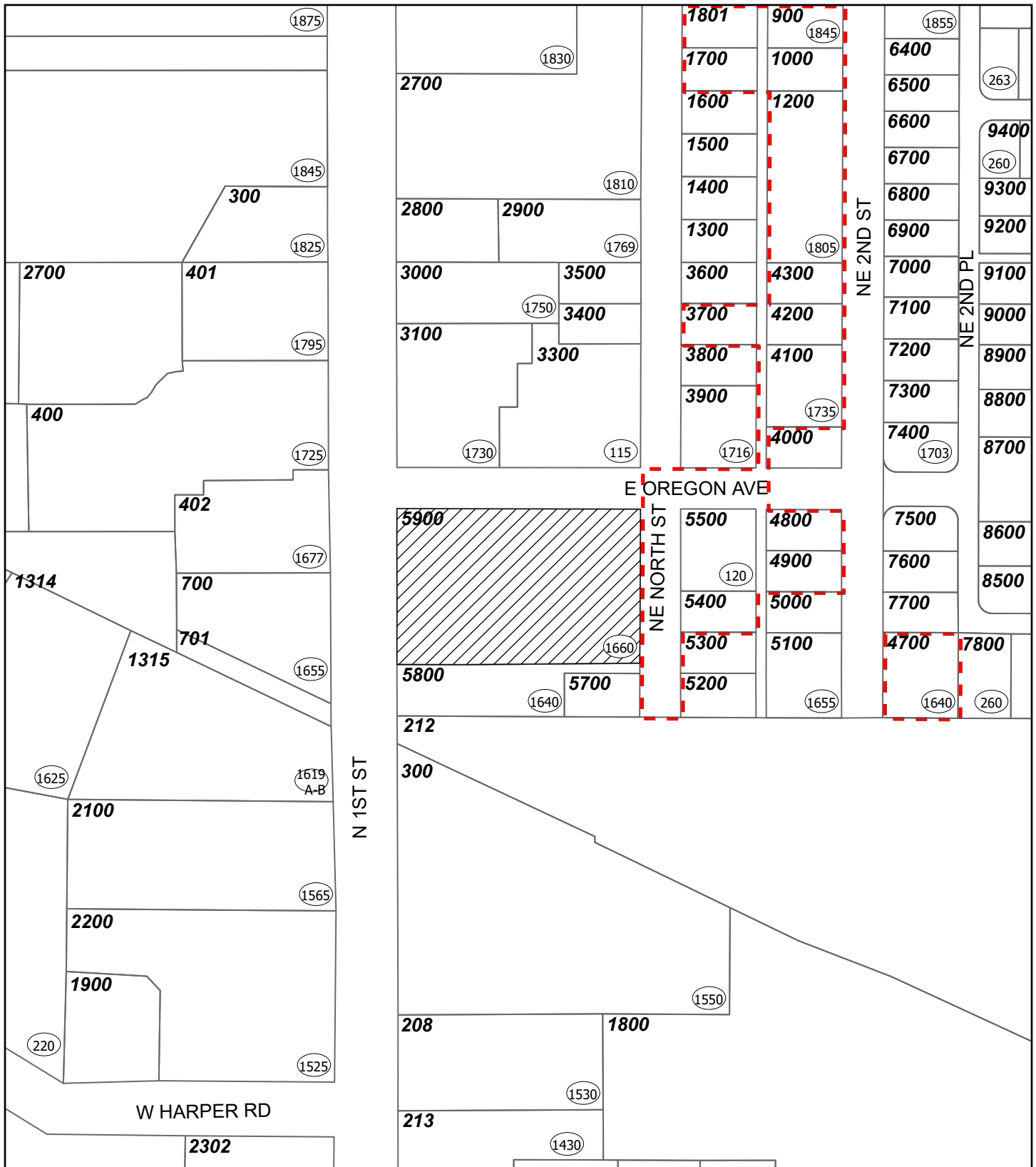
Umatilla County Commissioner

Umatilla County
Office of County Records
Recording Information
Seal

June, 2022

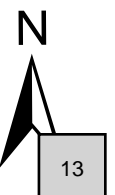
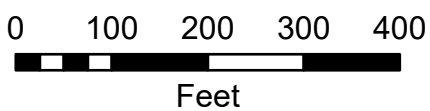
ENGINEERING - LAND SURVEYING - WATER RIGHTS
R. V. MCKINNIS ENGINEERING
79980 Prindle Loop Road
Hermiston, Oregon 97838
(541) -567-2017

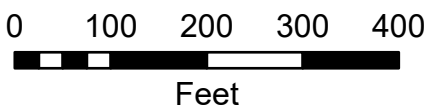
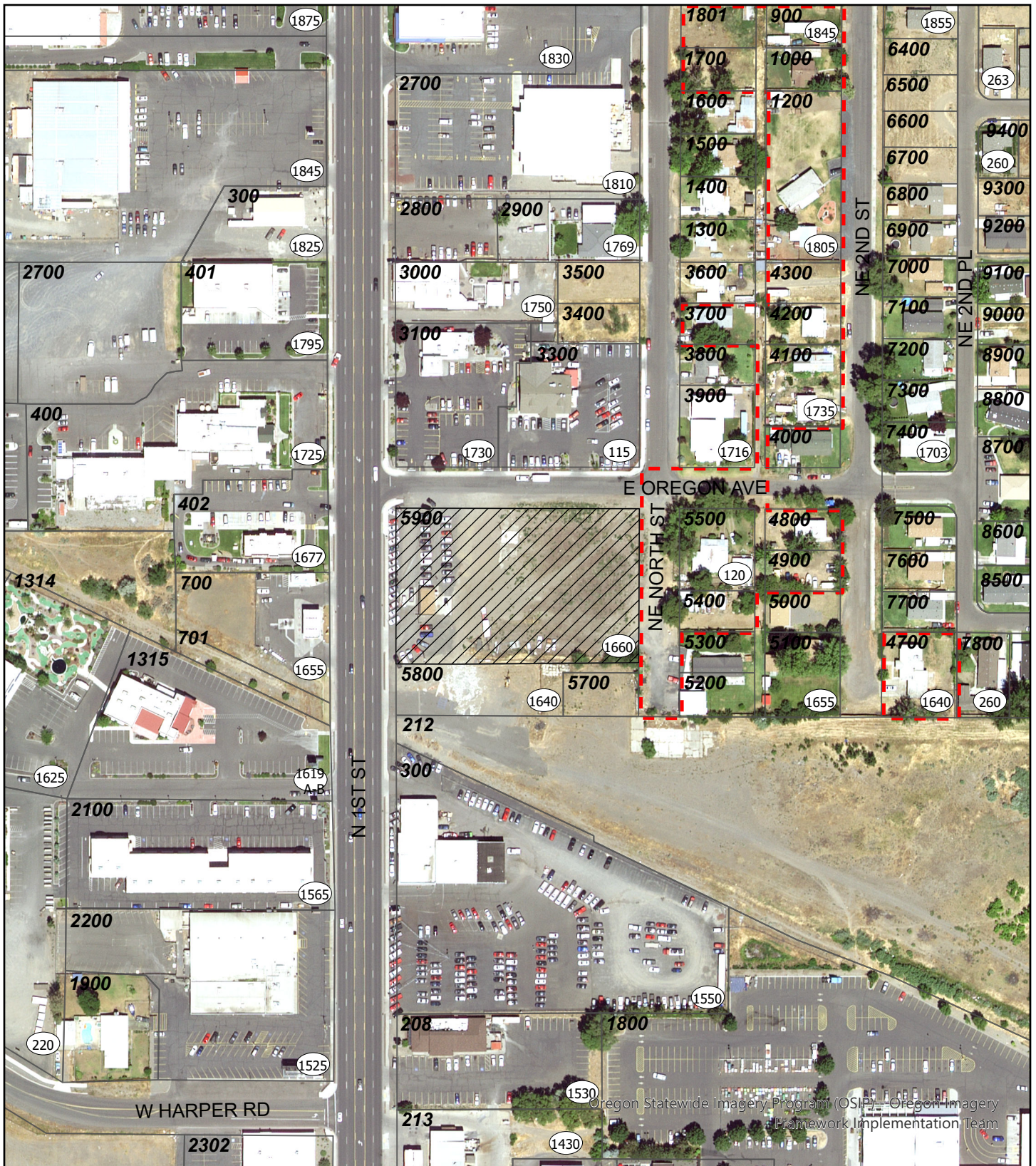
Rev. 06-07-22



Legend

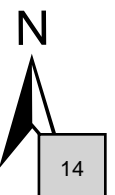
- Area of Proposed Replat
- City Limits
- Property Line
- Urban Growth Boundary





Legend

- Area of Proposed Replat
- City Limits
- Property Line
- Urban Growth Boundary





PUBLIC ANNOUNCEMENT

The City is accepting applications for the following Committees:

1) Airport Advisory Committee

- Position 5: 3-year term ending October 31, 2025 (Advertised as of 07/01/2022)

2) Parks & Recreation Advisory Committee

- Position 4: 3-year term ending October 31, 2025 (Advertised as of 07/01/2022)
- Position 5: 3-year term ending October 31, 2025 (Advertised as of 07/01/2022)

3) Eastern Oregon Trade and Event Center Advisory Committee

- Position 5: 3-year term ending June 30, 2025 (Advertised as of 04/19/2022)

4) Budget Committee

- Position 5: remaining 3-year term ending December 31, 2023 (Vacant as of 10/25/2021)

5) Hispanic Advisory Committee

- Position 3: remaining 3-year term ending June 30, 2024 (Vacant as of 01/19/2022)
- Position 5: 3-year term ending June 30, 2025 (Advertised as of 04/19/2022)

6) Library Board

- Position 3: remaining 4-year term ending June 30, 2025 (Vacant as of 04/05/2021)

Deadline to apply for Committee(s) in Section(s) 1 - 2: July 26th or Open until filled
Deadline to apply for Committee(s) in Section(s) 3 - 6: Open until filled

Interested persons are asked to submit an application to City Hall, 235 E Gladys Ave, Hermiston, or at lalarcon-strong@hermiston.or.us . Application forms are available at City Hall or on the City's website at <https://hermiston.or.us/volunteer> . If you have questions, please call Lilly Alarcon-Strong at 541-567-5521.

Proposed appointment and confirmation of these positions are made by the City Council. All appointments to city boards and commissions shall be made in accordance with the ordinances and city charter. Appointees shall not be full-time employees of the city, shall not be elected officials of the city, shall not be appointed to more than two boards or commissions at a time, and shall not sell to the city or its boards and commissions over which the council has appointive powers and budget control either directly as a prime contractor or supplier, or indirectly as a first-tier subcontractor or supplier. Sales shall be construed to mean sales, services or fees aggregating \$7,500 or more in any one calendar year. Preference for appointees shall be given to city residents.



CITY COUNCIL

Work Session Meeting Minutes July 11, 2022

Mayor Drotzmann called the work session meeting to order at 6:00pm. Present were Councilors Hardin, Spicerkuhn, Peterson, Duron, Primmer, and Myers. Councilors Davis, Myers, and Barron were excused. Staff in attendance was: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Richard Tovey, Chief Edmiston, Planning Director Clint Spencer, Finance Director Mark Krawczyk, Parks and Recreation Director Brandon Artz, and City Recorder Lilly Alarcon-Strong. Youth Advisory Members Julissa Gonzales Mendoza was also in attendance.

Psilocybin Discussion

Planning Director Clint Spencer presented information (attached) regarding Psilocybin also known as Mushrooms similar to LSD; Measure 109 which passed in 2021 that legalizes manufacturing, selling, and administering psilocybin; the historic and recently studied effects and benefits of psilocybin; psilocybin is regulated by the Oregon Health Authority however it has not completed its rule making regarding this process; local government opt-out options through general election votes, only.

Planning Director Spencer and City Attorney Tovey answered questions from the Council and stated the Council will be asked to make a decision, during the regular City Council meeting later tonight, to either refer this decision to the voters to possibly opt-out of the selling and administering of psilocybin or not to refer this decision to the voters and allow Psilocybin within the City, without a vote of the people, on January 2nd, 2023.

League of Oregon Cities (LOC) Discussion

City Manager Byron Smith presented information from Section 12, Item A of the agenda regarding LOC Legislative Priorities. City Manager Smith stated each even-numbered year the LOC asks each city to review the seven policy committees' recommendations and provide input to the LOC Board as it prepares to adopt the LOC's 2023 legislative agenda to take to the coming two-year legislative cycle. Of the 29 policy priorities listed by the Committee's, City Manager Smith has helped narrow down the recommendations to 10 based on the last Council Goal Setting Report. City Manager Smith highlighted and reviewed the five he believes the Council may find the most important. However, the Council can only select four as its policy priorities.

City Manager Smith answered questions from the Council and stated the Council will be asked to select four priorities from the list presented during the regular City Council meeting later tonight.

Adjournment

Mayor Drotzmann adjourned the work session meeting at 6:44pm and stated the Council will take a short break before starting the regular City Council meeting at 7:00pm.



PSILOCYBIN WORK SESSION

July 11, 2022



Oregon's Drug Legalization History

- Measure 67 – 1998
 - Authorized medical marijuana possession and cultivation
- Measure 91 – 2014
 - Authorized recreational marijuana use and retail sales
- Measure 110 – 2020
 - Decriminalized possession of small amounts of all drugs for personal use
- Measure 109 – 2021
 - Creates new psilocybin (mushrooms) program for manufacturing, selling, and administering psilocybin products



What is Psilocybin?

- Psilocybin is a compound derived from mushrooms which is similar to LSD
- Produces euphoric and hallucinogenic effects when ingested, either orally or brewed into a tea
- Effects start 1 to 2 hours after ingestion and can last up to 6 hours
- May affect mood, sensory perception, sleep, hunger, body temperature, muscle control, and other bodily functions
- Classified as a Schedule 1 substance under the federal Controlled Substances Act
- Legalized by popular vote in Oregon in 2020

Source: <https://www.drugs.com/illicit/psilocybin.html>



What is Psilocybin?

- Historically used in rituals
- More recently studied for psychological benefits
 - Shows benefit for “existential distress” experienced by cancer patients
 - Potential treatment for anxiety and depression
 - Additional studies are planned to compare effects with traditional antidepressants
 - Upcoming studies will evaluate new therapy potential for opioid addiction, Alzheimer’s, PTSD, anorexia, and other conditions

Source: <https://www.drugs.com/illicit/psilocybin.html>

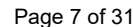


Measure 109 Facts

- Psilocybin service centers are regulated by the Oregon Health Authority (OHA)
 - Not considered a health care facility
 - Cannot be located in a residential zone
 - Cannot be located within 1,000 feet of a school
 - May administer dosages to people over 21
 - Product must be consumed on the premises, no outside sales



22



Measure 109 Facts

- Psilocybin manufacturing centers are permitted
 - Requires licensing by OHA
 - May not be manufactured outdoors
 - Manure may not be used as a growth medium for the fungi
 - May also be a service center
 - All psilocybin products must be tested by a licensed lab prior to sale



Measure 109 Facts

- Local government rules
 - Cities may not require special licenses or taxes
 - Cities may establish time, place and manner rules
 - Cities are required to sign Land Use Compatibility Statements (LUCS) for submission to OHA during site development
 - Additional fees above those regularly charged to development (SDCs, building permit fees, etc.) are prohibited



Local Voting History

- Measure 91 – Legal Marijuana
 - No 12,121 (63%)
 - Yes 7,176 (37%)
- Hermiston Ordinance 2344 – Local Marijuana Prohibition
 - Yes 2,786 (54%)
 - No 2,344 (46%)
- Measure 110 – Decriminalized Drug Possession
 - No 17,553 (56%)
 - Yes 13,874 (44%)



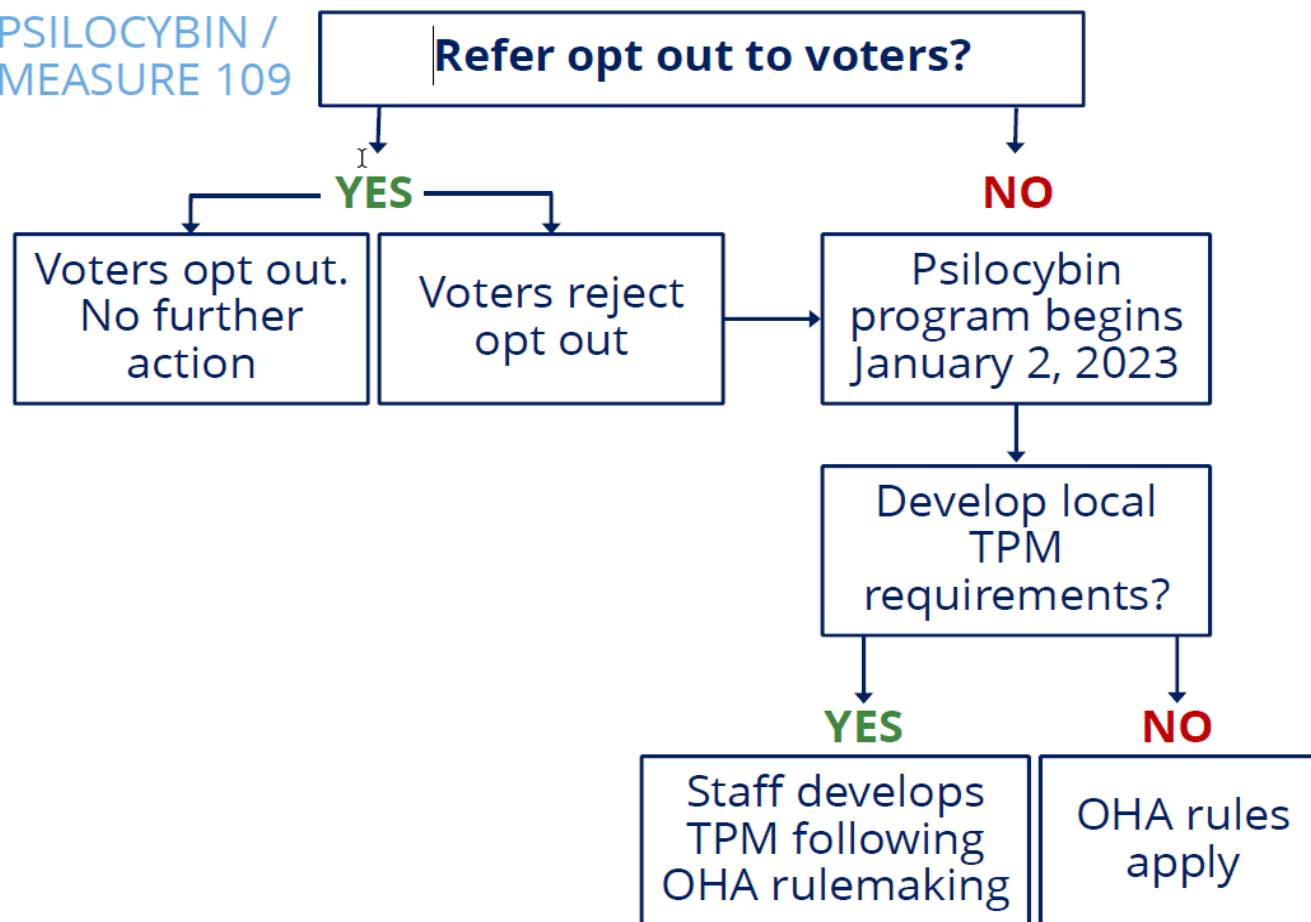
What's Next?

- OHA has not yet completed rule making process
 - Estimated completion before end of 2022
 - Manufacturing and service centers can begin obtaining licenses Jan 2, 2023
- State administrative rules allow local governments a one-time opt-out option
- Cities can opt-out and prohibit psilocybin only through a popular vote in the November 2022 general election
 - Umatilla County voted against Measure 109 in 2020
 - 20,120 No (64%)
 - 11,330 Yes (36%)
- Should the city refer a prohibition to the voters in November?
- Should the city consider a repeal of the marijuana prohibition?



What's Next?

PSILOCYBIN /
MEASURE 109



TPM = time, place, and manner rules



Local Government Partners Webinar Introduction to The Oregon Psilocybin Services Act

**Angie Allbee, Section Manager
Jesse Sweet, Policy Analyst
Jennifer Violette, Licensing Program Manager
Gil Garrott, Compliance Program Manager
Oregon Psilocybin Services**

June 17, 2022



PUBLIC HEALTH DIVISION
Oregon Psilocybin Services

Oregon Psilocybin Services Section

Oregon Psilocybin Services is a new section housed within the Oregon Health Authority Public Health Division's Center for Health Protection.

The OPS team has been designed around three program areas:

- **Policy and Engagement**
- **Licensing**
 - **Local Government and Law Enforcement Liaison position**
- **Compliance**

Each program will center on health equity, including outreach to partners and communities and working to ensure access to services.

Ballot Measure 109: The Oregon Psilocybin Services Act

In November of 2020, Ballot Measure 109, the Oregon Psilocybin Services Act was passed by voters in Oregon. The ballot measure is now codified as ORS 475A.

M109 created a license and regulatory framework for production of psilocybin and facilitation of psilocybin services for adults 21 years of age and older and created the Oregon Psilocybin Advisory Board that makes recommendations to OHA.

M109 does not:

- Create a consumer market for psilocybin
- Allow for export or import of psilocybin
- Allow licensees to interact with unregulated markets

License Types

Manufacturer License

- Cultivates fungi and manufactures psilocybin products
- Cannot cultivate outdoors
- Premise must have defined boundaries
- Cannot exceed production quantities established in rule
- Product tracking system required to track manufacturing, sale and transfer of psilocybin products to prevent diversion, ensure accurate accounting, ensure accurate reporting of lab testing results

Laboratory License

- All psilocybin products must be tested by a licensed lab prior to sale.
- Labs must be accredited by the Oregon Environmental Laboratory Accreditation Program
- Testing results must be entered in the product tracking system

License Types (cont'd)

Facilitator License

- Supervises sessions where clients consume psilocybin.
- Must complete **OHA approved training program** as a condition of licensure.
- Must pass exam approved or administered by OHA

Service Center License

- Cannot be located within 1000 feet of a school
- Must have defined boundaries
- Transfers psilocybin products to client for use during administration session

Psilocybin Services

Psilocybin will only be administered to persons 21 years or older in licensed service center settings under the supervision of trained and licensed facilitators.

Psilocybin Services may include:

- Preparation Session
- Administration Session
- Integration Session (optional)

Product tracking system required to track manufacturing, sale and transfer of psilocybin products to:

- Prevent diversion
- Ensure accurate accounting
- Ensure accurate reporting of lab testing results

Local Government Issues

Local Government Opt-Out:

- Local governments (cities and counties) may adopt ordinances that prohibit Manufacturers and Service Centers
- Ordinances must be referred to voters at the next general election

Local Government Time Place and Manner Regulations

- Local governments may adopt reasonable regulations on hours, location, and operation of licenses

Land Use Compatibility Statements (LUCS)

- Applicants for Service Center and Manufacturer licenses are required to request a LUCS from their local government before submitting a license application

Site Requirements

Service Centers:

- GIS mapping tool for school proximity
- Cannot be located on public land; must have defined boundaries
- Cannot be located within a residence
- Cannot be located in an area within city limits that is zoned exclusively for residential use

Manufacturers:

- Cannot be located on public land; must have defined boundaries
- Outdoor cultivation is prohibited
- Landlord must consent to use

TPM:

- OPS will not track local time place and manner regulations

License and Application Fees, Taxes

License and Application Fees

- License and application fees will be set in rule later this year
- Oregon Psilocybin Services will be a fee-based program and fees must cover the costs associated with the agency's work

Taxes

- Service Centers collect a 15% tax on the sale of psilocibin products payable to Oregon Department of Revenue
- Local taxes and fees are prohibited
- Psilocybin services are not taxed

OHA Key Dates

- **November 24, 2021:** Preliminary recommendations from OPAB
- **December 2021:** Public Listening Sessions
- **January 1, 2022:** Community Interest Survey
- **May 13, 2022:** Effective Date for Expedited Rules.
- **June 1, 2022:** OHA begins accepting applications for training programs
- **June 30, 2022:** Recommendations for Remaining Rules
- **July 2022:** Public Listening Sessions
- **September 2022:** RAC for Remaining Rules
- **November 1-21, 2022:** Public Comment for Remaining Rules
- **December 30, 2022:** Effective Date for Remaining Rules
- **January 2, 2023:** OHA begins accepting applications for licensure

Thank You!

Please visit our website:

<https://www.oregon.gov/psilocybin>



Model Psilocybin Ordinance & Ballot Measure

JUNE 2022

Cities and counties that desire to prohibit the establishment of psilocybin-related businesses may do so by referral at a statewide general election, meaning an election in November of an even-numbered year. Cities and counties should consult the secretary of state’s referral manual and work with the city recorder, elections official, or similar official to determine the procedures necessary to refer an ordinance to the voters.

Once the governing body of a city or county adopts an ordinance, its city or county must submit the ordinance to the Oregon Health Authority (OHA). The OHA will then stop registering and licensing the prohibited businesses until the next statewide general election, when the voters will decide whether to approve or reject the ordinance. In other words, the governing body’s adoption of an ordinance acts as a moratorium on new psilocybin-related businesses until the election.

In addition, it is important to note that once election officials file the referral with the county election office, the ballot measure is certified to the ballot. At that point, the restrictions on public employees engaging in political activity will apply. Consequently, cities should consult the secretary of state’s manual *Restrictions on Political Campaigning by Public Employees* and their city attorney to ensure that public employees are complying with state elections law in their communications about the pending measure. The model ordinances and ballot measures below contain two versions. The first is a permanent ban of psilocybin-related businesses until the ordinance is repealed and the second acts as a two-year moratorium.

.....

This document is not a substitute for legal advice. City and county councils considering prohibiting psilocybin-related activities should not rely solely on this sample. Any city or county council considering any form of regulation of psilocybin should consult with its city or county attorney regarding the advantages, disadvantages, risks and limitations of any given approach.

Legal counsel can also assist a city or county in preparing an ordinance that is consistent with local procedures, existing ordinances and charter, and advise on what process is needed to adopt the ordinance. The sample provided is intended to be a starting point, not an end point, for any jurisdiction considering prohibiting psilocybin-related activities.

.....

PERMANENT BAN

.....

ORDINANCE NO. _____

**AN ORDINANCE DECLARING A BAN ON PSILOCYBIN SERVICE
CENTERS AND THE MANUFACTURE OF PSILOCYBIN PRODUCTS**

WHEREAS, in November 2020, Oregon voters approved Ballot Measure 109, known as the Oregon Psilocybin Service Act (codified at ORS 475A), which allows for the manufacture, delivery and administration of psilocybin at licensed facilities; and

WHEREAS, ORS 475A.235 provides that the Oregon Health Authority will regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services in the state; and

WHEREAS, the Oregon Health Authority has initiated a rulemaking process to implement the state’s psilocybin regulatory program and intends to begin accepting applications for psilocybin-related licenses on January 2, 2023; and

WHEREAS, as of June {date}, 2022, the Oregon Health Authority has not completed the rulemaking process for implementing the state’s psilocybin regulatory program, and the City of {city} is uncertain how the manufacture, delivery and administration of psilocybin at licensed psilocybin facilities will operate within the city; and

WHEREAS, ORS 475A.718 provides that a city council may adopt an ordinance to be referred to the electors of the city prohibiting the establishment of state licensed psilocybin product manufacturers and/or psilocybin service centers in the area subject to the jurisdiction of the city; and

WHEREAS, the {city} City Council believes that prohibiting psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries to enable the adoption of the state’s psilocybin licensing and regulatory program and to allow the city to adopt reasonable time, place, and manner regulations on the operation of psilocybin facilities is in the best interest of the health, safety and welfare of the people of {city}; and

WHEREAS, the City Council seeks to refer to the voters of {city} the question of whether to establish a ban on state-licensed psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries.

Now, therefore,

THE CITY OF {CITY} ORDAINS AS FOLLOWS:

Section 1. Prohibition.

The establishment of psilocybin product manufacturers licensed under ORS 275A.290 and psilocybin service centers licensed under ORS 475A.305 is prohibited in the City of {city}.

Section 2. Referral.

This ordinance is referred to the electors of the city of {city} for approval at the next statewide general election on November 8, 2022.

Section 3. Effective Date.

This ordinance takes effect and becomes operative 30 days after the day on which it is approved by a majority of voters.

First reading this ____ day of _____, 2022.

Second reading and passage by this Council this ____ day of _____, 2022.

Signed by the Mayor this ____ day of _____, 2022.

ATTEST:

SIGNED:

{NAME}, City Recorder

{NAME}, Mayor

BALLOT TITLE

A caption which reasonably identifies the subject of the measure.
10-word limit under ORS 250.035(1)(a)

Prohibits psilocybin-related businesses within {city}. [Prohibition sunsets after two years.]

QUESTION

A question which plainly phrases the chief purpose of the measure so that an affirmative response to the question corresponds to an affirmative vote on the measure.
20-word limit under ORS 250.035(1)(b)

Shall {city or county} prohibit {psilocybin-related businesses} in {city or county}?

SUMMARY

A concise and impartial statement summarizing the measure and its major effect.
17-word limit under ORS 250.035(1)(c)

State law allows operation manufacturer, distribution and possession of psilocybin and psilocin. State law provides that a {city or county} council may adopt an ordinance to be referred to the voters to prohibit the establishment of any of those registered or licensed activities.

Approval of this measure would prohibit the establishment of {psilocybin project manufacturers} and/or {psilocybin service center operators} within the area {subject to the jurisdiction of the city} or {in the unincorporated area subject to the jurisdiction of the county.}

EXPLANATORY STATEMENT

An impartial, simple and understandable statement explaining the measure and its effect for use in the county voters' pamphlet.

500-word limit under ORS 251.345 and OAR 165-022-0040(3)

Approval of this measure would prohibit the establishment {and operation} of psilocybin-related businesses within the {city or county}.

A {city or county} council may adopt an ordinance prohibiting the establishment of psilocybin related businesses within the {city or county}, but the council must refer the ordinance to the voters at a statewide general election. The {CITY or COUNTY} OF {NAME} {city or county} council has adopted an ordinance prohibiting the establishment of psilocybin-related businesses within the {city or county} and, as a result, has referred this measure to the voters.

If approved, this measure would prohibit psilocybin-related businesses within the {city or county}.

TWO-YEAR MORATORIUM

.....

ORDINANCE NO. _____

AN ORDINANCE DECLARING A TEMPORARY BAN ON PSILOCYBIN
SERVICE CENTERS AND THE MANUFACTURE OF PSILOCYBIN
PRODUCTS

WHEREAS, in November 2020, Oregon voters approved Ballot Measure 109, known as the Oregon Psilocybin Service Act (codified at ORS 475A), which allows for the manufacture, delivery and administration of psilocybin at licensed facilities; and

WHEREAS, ORS 475A.235 provides that the Oregon Health Authority will regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services in the state; and

WHEREAS, the Oregon Health Authority has initiated a rulemaking process to implement the state’s psilocybin regulatory program and intends to begin accepting applications for psilocybin-related licenses on January 2, 2023; and

WHEREAS, as of June {date}, 2022, the Oregon Health Authority has not completed the rulemaking process for implementing the state’s psilocybin regulatory program, and the City of {city} is uncertain how the manufacture, delivery and administration of psilocybin at licensed psilocybin facilities will operate within the city; and

WHEREAS, ORS 475A.718 provides that a city council may adopt an ordinance to be referred to the electors of the city prohibiting the establishment of state licensed psilocybin product manufacturers and/or psilocybin service centers in the area subject to the jurisdiction of the city; and

WHEREAS, the {city} City Council believes that prohibiting psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries to enable the adoption of the state’s psilocybin licensing and regulatory program and to allow the city to adopt reasonable time, place, and manner regulations on the operation of psilocybin facilities is in the best interest of the health, safety and welfare of the people of {city}; and

WHEREAS, the City Council seeks to refer to the voters of {city} the question of whether to establish a two-year temporary ban on state-licensed psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries.

Now, therefore,

THE CITY OF {CITY} ORDAINS AS FOLLOWS:

Section 1. Prohibition.

The establishment of psilocybin product manufacturers licensed under ORS 275A.290 and psilocybin service centers licensed under ORS 475A.305 is prohibited in the city of {city}.

Section 2. Referral.

This ordinance is referred to the electors of the city of {city} for approval at the next statewide general election on November 8, 2022.

Section 3. Effective Date.

This ordinance takes effect and becomes operative 30 days after the day on which it is approved by a majority of voters.

Section 4. Sunset.

This ordinance is repealed on December 31, 2024.

First reading this ____ day of _____, 2022.

Second reading and passage by this Council this ____ day of _____, 2022.

Signed by the Mayor this ____ day of _____, 2022.

ATTEST:

SIGNED:

{NAME}, City Recorder

{NAME}, Mayor

BALLOT TITLE

A caption which reasonably identifies the subject of the measure.
10-word limit under ORS 250.035(1)(a)

Prohibits psilocybin-related businesses within {city}. [Prohibition sunsets after two years.]

QUESTION

A question which plainly phrases the chief purpose of the measure so that an affirmative response to the question corresponds to an affirmative vote on the measure.
20-word limit under ORS 250.035(1)(b)

Shall {city or county} prohibit {psilocybin-related businesses} in {city or county}?

SUMMARY

A concise and impartial statement summarizing the measure and its major effect.
17-word limit under ORS 250.035(1)(c)

State law allows operation manufacturer, distribution and possession of psilocybin and psilocin. State law provides that a {city or county} council may adopt an ordinance to be referred to the voters to prohibit the establishment of any of those registered or licensed activities.

Approval of this measure would prohibit the establishment of {psilocybin project manufacturers} and/or {psilocybin service center operators} within the area {subject to the jurisdiction of the city} or {in the unincorporated area subject to the jurisdiction of the county.}

EXPLANATORY STATEMENT

An impartial, simple and understandable statement explaining the measure and its effect for use in the county voters' pamphlet.

500-word limit under ORS 251.345 and OAR 165-022-0040(3)

Approval of this measure would prohibit the establishment {and operation} of psilocybin-related businesses within the {city or county}.

A {city or county} council may adopt an ordinance prohibiting the establishment of psilocybin related businesses within the {city or county}, but the council must refer the ordinance to the voters at a statewide general election. The {CITY or COUNTY} OF {NAME} {city or county} council has adopted an ordinance prohibiting the establishment of psilocybin-related businesses within the {city or county} and, as a result, has referred this measure to the voters.

If approved, this measure would prohibit psilocybin-related businesses within the {city or county} until December 31, 2024.



CITY COUNCIL

Regular Meeting Minutes July 11, 2022

Mayor Drotzmann called the regular meeting to order at 7:00pm. Present were Councilors Hardin, Spicerkuhn, Primmer, Peterson, and Duron. Councilors Davis, Myers, and Barron were excused. Judge Creasing was in attendance, as well as staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, Chief Edmiston, Planning Director Clint Spencer, Finance Director Mark Krawczyk, Parks and Recreation Director Brandon Artz, IT Director Jordan Standley, Court Administrator Jillian Viles, and City Recorder Lilly Alarcon-Strong. Youth Advisory Member Julissa Gonzales Mendoza was also in attendance. The pledge of allegiance was given.

City Manager Smith stated due to unforeseen circumstances the Chamber will be unable to present tonight; they have rescheduled to a future meeting.

Presentation- Hermiston School District Updates

Assistant Superintendent Jake Bacon gave Hermiston School District (HSD) updates to include information regarding: construction, ribbon cutting ceremony's, new student/parent app replacing PowerSchool, Covid, HSD is still seeking to hire an additional 10 teachers, developing Work Readiness Program to help students prepare for the work force, Champions program, summer meals, and the start of school timelines.

At Mayor Drotzmann's request, Parks and Recreation Director Brandon Artz also gave information regarding summer meals and employment opportunities.

Citizen Input on Non-Agenda Items

None Given.

Consent Agenda Items

Councilor Peterson asked to removed Items F as she has a direct conflict of interest.

City Manager Smith stated the Council is being asked to consider approval of the Consent Agenda Items with a revision to Items G. The revision would award the Hermiston Basketball Club \$7,500 instead of \$7,000; bringing the total recommended award amount from \$38,675 to \$39,175.

Councilor Primmer moved and Councilor Spicerkuhn seconded to approve Consent Agenda items A-E and G, to include:

- A. Committee Vacancy Announcements
- B. Minutes of the June 27th City Council Meeting
- C. Recommendation of appointment to the Planning Commission: Patrick Collins, Position 4, remaining 3-year term ending March 31, 2023
- D. Recommendation of appointment to the Parks and Recreation Committee: Angel Aguilar, Position 6, 3-year term ending October 31, 2025
- E. Recommendation of appointment to the Parks and Recreation Committee: Nicole Westing, Position 7, remaining 3-year term ending October 31, 2023
- G. Award Funding through the Transient Room Tax (TRT) Recreation Projects Grants

Motion carried unanimously.



CITY COUNCIL

Regular Meeting Minutes July 11, 2022

Items Removed from the Consent Agenda

- F. Recommendation of appointment to the Library Board: Erick Peterson, Position 4, 4-year term ending June 30, 2026

Councilor Peterson exited the dais and Mayor Drotzmann stated Councilor Peterson has a direct conflict of interest as Councilor Peterson is married to Erick Peterson. Councilor Primmer moved and Councilor Duron seconded to approve Consent Agenda Item F. Motion carried unanimously.

Supplemental Budget for FY 2022-23 (see Resolution No. 2232 below)

After hearing no declarations of conflict of interest from the Council, City Manager Smith read the hearing guidelines and Mayor Drotzmann opened the hearing at 7:18pm.

City Manager Byron Smith gave information regarding the proposed supplemental budget as supplied in Resolution No. 2232 in order to fund the newly formed IT Department.

There were no parties who wished to testify and the Hearing was closed at 7:21pm.

Resolution No. 2230- Airport Environmental Assessment Grant Acceptance

Assistant City Manager Morgan gave information regarding accepting an FAA grant to conduct an environmental assessment on property near the airport.

After some discussion, Councilor Hardin moved and Councilor Duron seconded to adopt Resolution No. 2230 and lay upon the record. Motion carried unanimously.

Resolution No. 2231- Master Fee Schedule Update Adjusting Fees at the Community Center.

City Manager Smith and Parks and Recreation Director Artz gave information regarding adjusting some Community Center fees due to outside rental contractors and vendors increasing their costs. These adjustments will allow the Community Center to recoup those costs.

Public Comment

Jackie Linton, Hermiston- Asked how often is the Community Center being used.

Parks and Recreation Director Artz stated the facility is filled 90% for weekend use through 2023; and is also used during the weekdays as well.

After some discussion, Councilor Primmer moved and Councilor Hardin seconded to adopt Resolution No. 2231 and lay upon the record. Motion carried unanimously.

Resolution No. 2232 To Supplement FY2023 Budget

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

Councilor Hardin moved and Councilor Spicerkuhn seconded to adopt Resolution No. 2232 and lay upon the record. Motion carried unanimously.



CITY COUNCIL

Regular Meeting Minutes July 11, 2022

Resolution No. 2233- Infrastructure Finance Search Authorization

Assistant City Manager Morgan presented information (PowerPoint attached) regarding authorizing the submittal of application materials to borrow funds to help provide infrastructure to the Prairie Meadows Development project on Feedville Road.

Public Comment

Jackie Linton, Hermiston- Asked what specifically the loan would be for.

Assistant City Manager Morgan stated it would be for a water tower and infrastructure.

Mayor Drotzmann reminded the public that all the information presented during City Council meetings are included in the agenda packet that is available to the public on the City's website.

After some discussion, Councilor Peterson moved and Councilor Duron seconded to adopt Resolution No. 2233 and lay upon the record. Motion carried unanimously.

Resolution No. 2234 – IGA with City of Stanfield for IT Services

City Manager Smith stated this resolution is similar to the other IT Services Resolutions passed at the last meeting; in this case the City would provide IT Services to the City of Stanfield. An additional IGA for the City of Echo is forthcoming.

After some discussion, Councilor Primmer moved and Councilor Hardin seconded to adopt Resolution No. 2234 and lay upon the record. Motion carried unanimously.

League of Oregon Cities (LOC) Legislative Priorities Discussion and Recommendation

City Manager Smith stated this item was discussed earlier during the work session meeting. The Council is being asked to select four priorities to submit to the LOC.

After some discussion, Councilor Primmer moved and Councilor Duron seconded priorities 1- Infrastructure Funding to Support Needed Housing; 2- Economic Development Incentives; 4- Property Tax Reform; and 7- Resilient, Futureproof Broadband Infrastructure and Planning Investment. Motion carried unanimously.

Psilocybin Decision

City Manager Smith stated this item was discussed earlier during the work session meeting. The Council is being asked to decide to either refer this decision to the voters to possibly opt-out of the selling and administering of psilocybin or not to refer this decision to the voters and allow Psilocybin within the City, without a vote of the people, on January 2nd, 2023. If the Council decides to refer the decision to the voters, staff will come before the Council, at the next meeting, asking the council to approve an ordinance to begin the election process.

After some discussion, Councilor Primmer moved and Councilor Spicerkuhn seconded to direct staff to begin the process to refer to the voters the opportunity to opt-out. Motion carried unanimously.



CITY COUNCIL

Regular Meeting Minutes July 11, 2022

Committee Reports

EOTEC Advisory Committee- City Manager Smith gave updates regarding: fundraising for lacrosse field development which will be brought before the Council at the next meeting, barn expansion, water attainment and additional water funding.

Mayor Drotzmann stated field development is good for youth sport activities and for the community.

Mayor's Report

Mayor Drotzmann spoke regarding:

- Meeting with Congressman Bentz to discussing challenges in our area
- 4th of July celebration
- Oregon Mayors Association (OMA) and his appointment to the Homelessness Task Force
- Encouraged the public to attend the Fair and Rodeo August 10-13 and make sure to spruce up businesses and yards for all those traveling to Hermiston for this event
- Spud Fest

Council Reports

Councilor Primmer stated this year the Fair and Rodeo will be undergoing new security measures. The public is encouraged to go onto the Fair website to view these changes prior to attending. The new security measures are not meant to be a burdensome but patience would be appreciated during this time.

Councilor Spicerkuhn stated the Chamber of Commerce is holding a summer evening mixer this week at Bennett's Botanical Gardens.

Councilor Peterson asked that the public be kind to those working security at the Fair. Councilor Peterson has been appointed to the Oregon Disability Commission and encouraged the public to be involved in their government stating this appointment is not an elected position and there is something for everyone who wanted to get involved.

Mayor Drotzmann congratulated Councilor Peterson on this appointment stating he is proud to have Councilor Peterson represent Hermiston.

Councilor Duron stated Senator Wyden met with the Hispanic Advisory Committee and other community members to listen to the concerns of the Latino Community. Although Senator Wyden did not commit to anything it was good that he made time to listen and hopes he can come back again.

Mayor Drotzmann thanked Senator Wyden and Merkley and Representative Bentz for coming to Hermiston as often as they do as our community appreciates it when their representatives come to Hermiston.

Youth Advisory Report

Advisor Gonzales Mendoza stated many youth programs will be at the fairgrounds picking up trash and doing other fundraising opportunities, asked that the community please be cognizant of this when disposing of liquids, etc. And spoke regarding the joy it is to see many children participating in swim lessons.



CITY COUNCIL

Regular Meeting Minutes July 11, 2022

Mayor Drotzmann agreed stating leaning to swim is a life saving skill specifically critical in an area surrounded by water, like Hermiston.

City Manager's Report

City Manager Smith spoke regarding:

- Homeless Shelter RFP closed last week, Stepping Stones was the only applicant. The City of Umatilla will be reviewing submitted requirements and if approved begin moving forward with the Sleep Center to be completed by November and the rest of the facility by early next year.
- LOC Conference registration is this week. Those interested in attending are asked to let City Recorder Lilly Alarcon-Strong know so reservations can be made as the conference and rooms are filled extremely fast.
- City Hall and parking lot updates and scheduling an upcoming tour.

Adjournment

Mayor Drotzmann adjourned the City Council meeting at 8:25pm as there was no other City business.

SIGNED:

Dr. David Drotzmann, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC, City Recorder

PRAIRIE MEADOWS URA

City Council 7/11/2022



What is it?



Timeline

- 2004- Annexed for Golf Course
- 2012- Current Owners meet with City Staff
- 2018- City Scopes necessary utility improvements
- 2021- Owner partners with Monte Vista
 - Fall: MV Completes Master Plan
 - Winter: Initial Urban Renewal Feasibility Considered
- 2022- Urban Renewal
 - March- Council Authorizes URA Plan Development



Timeline

- 2022- Urban Renewal
 - Spring: Final Upfront Infrastructure Scoped
 - Spring: Cost estimates updated/refined
 - Summer: URA Plan Completed- Community Outreach
 - Fall: URA Plan Adopted
- 2023- January- AP Begins Design Engineering (12mo)
- 2024-2025- Infrastructure Construction (18-24mo)
- Late 2025- First Homes Completed
- November 2026- First “Tax Increment”



Building What?





Resolution 2233

- Finance Shopping
- Authorize applying for \$12.5M Financing
 - Business Oregon
 - 30yr @ 2.53%
 - ~\$570,000/yr





Repayment Plan

- Developer Agreement to cover debt
- Urban Renewal TIF cover debt
 - “Low” projection: \$733,000/yr by 2031
- Utility Fund Backstop



2MG Capable of Serving “Main” city





Infrastructure Plan

- 2019 WSMP calls for 4MG reservoirs in SW area
 - City projected to need 6MG more stored by 2038
 - Elevation/Area simplify pressure zones/operation





Resolution 2233

- Finance Shopping
- Authorize applying for \$12.5M Financing
- Actual loans require further approval





Questions?

Where Life is Sweet™



Where Life is Sweet

Mayor and Members of the City Council

STAFF REPORT

For the Meeting of July 25, 2022

Title/Subject

Annexation- Pena 120 E Oregon Ave & 1650 NE North St 4N2802CB Tax Lots 5400 and 5500

Summary and Background

Ordinance No. 2339 annexing 0.45 acres of property at 120 E Oregon Ave and 1650 NE North St is ready for adoption.

Jesus Pena has submitted an application to annex 0.45 acres of land located at 120 E Oregon Ave and 1650 NE North St. The properties lie within the urban portion of the urban growth boundary and is adjacent to city limits on the north, south and west sides, and a portion of the east side. The applicant wishes to annex the property for an emergency connection to city sewer.

The properties are described as 4N2802CB Tax Lots 5400 & 5500. The properties have a comprehensive plan map designation of Medium Density/Mobile Home Residential (MH) which corresponds to an (R-4) Multi-Structure Residential zoning designation. The properties abut single-family residences on the north, south and east property lines. The general neighborhood character is low density residential with existing and proposed commercial uses to the west.

E Oregon Ave adjacent to the site is a city street with paving only. NE North St adjacent to the site is an unimproved section of right-of-way. As a condition of approval for annexation, staff recommends that the applicant sign a street improvement agreement agreeing to future improvements to E Oregon Ave and NE North St, including the installation of curb, gutter, and sidewalk.

155.05 of the Hermiston Code of Ordinances provides the requirements for annexations. The requirements for annexation are as follows:

1. The proposal is in conformance with all applicable state annexation requirements.
2. The property is contained within the urban portion of the urban growth boundary as identified on the comprehensive plan.
3. The proposed zoning is consistent with the underlying comprehensive plan designation.
4. Findings of fact are developed in support or denial of the annexation.

5. All city services can be readily extended and the property owner is willing to be associated with sewer, water, and roads.

The planning commission held a public hearing on the proposed annexation on July 13, 2022. Following the closure of the public hearing, the planning commission made a recommendation to the city council to annex the property with the proposed (R-4) zoning designation.

Tie-In to Council Goals

Annexation is a matter of administration of city ordinances. The city has a goal to remove as many county islands as possible within the urban growth boundary. These properties are adjacent to city limits on multiple sides.

Fiscal Information

The properties have a combined assessed value of \$74,760. Following annexation, an additional \$500 will be paid in property taxes to the city annually.

Alternatives and Recommendation

Alternatives

The city council may choose to

- Approve the annexation
- Deny the annexation

Recommended Action/Motion

Staff recommends that the city council approve annexation of the property.

- Motion to approve the findings of fact
- Motion to impose conditions of approval
- Motion to adopt Ordinance No. 2339

Submitted By:

Clint Spencer

Draft Findings and Conditions for Pena Annexation

July 25, 2022

120 E Oregon Ave & 1650 NE North St

1. The City has received consent to annexation from the property owner for approximately 0.45 acres of land.
2. Notice of public hearing was published in the local newspaper for two consecutive weeks prior to the planning commission hearing on June 22 and 29, 2022. Notices were also posted in four public places in the city for a like period. Comments or remonstrances received have been incorporated into the record.
3. Notice of public hearing was physically posted on the property on June 22, 2022.
4. Affected agencies were notified.
5. A public hearing of the planning commission was held on July 13, 2022. Comments received at the hearing are incorporated into the planning commission record.
6. Notice of public hearing of the city council was published in the local newspaper for two consecutive weeks prior to the city council hearing on June 29 and July 6, 2022. Notices were also posted in four public places in the city for a like period. Comments or remonstrances received have been incorporated into the record.
7. A public hearing of the city council was held on July 25, 2022. Comments received at the hearing are incorporated into the record.
8. The proposal is consistent with all applicable state annexation requirements in ORS 222.
 - a. The city has received consent from the property owners within the affected area
 - b. An election has been deemed not necessary since consent from more than half the owners has been received
 - c. The property is contiguous with the existing city limits
 - d. All statutorily required notices have been published and posted
9. Since the property is contiguous to the existing city limits, the annexation is in accord with Comprehensive Plan Policy 4 which promotes compact urban development within and adjacent to existing urban areas to ensure efficient utilization of land resources and facilitates economic provision of urban facilities and services.
10. The annexation is consistent with the requirements of Comprehensive Plan Policy 5 relating to annexation.
11. The property is located within the urban portion of the urban growth boundary (UGB) as identified on the comprehensive plan map.
12. Sewer is available to service this property in NE North St and E Oregon Ave. At the time of connection, the applicant is responsible for all connection fees.
13. Water is available to service this property in E Oregon Ave. At the time of connection, the applicant is responsible for all connection fees.

Draft Findings on Zoning Designation

1. The property lies within the urban portion of the urban growth boundary and has a comprehensive plan map designation of Medium Density/Mobile Home Residential (MH).

2. The proposed Multi-Structure Residential (R-4) zoning designation corresponds with the underlying comprehensive plan map designation.

Draft Conditions of Approval

1. Applicant shall sign a street improvement agreement agreeing to future improvement of E Oregon Ave adjacent to the frontage of the property.
2. Applicant shall sign a street improvement agreement agreeing to future improvement of NE North St adjacent to the frontage of the property.

ORDINANCE NO. 2339

AN ORDINANCE ANNEXING CERTAIN REAL PROPERTY APPROXIMATELY 260 FEET EAST OF N FIRST ST, DESCRIBING SAID REAL PROPERTY, WITHDRAWING SAID REAL PROPERTY FROM SPECIAL DISTRICTS AND DESIGNATING ZONING.

THE CITY OF HERMISTON ORDAINS AS FOLLOWS:

SECTION 1. The following described real property is annexed to the City of Hermiston and is withdrawn from the Umatilla County Library District and the Umatilla County Sheriff's Office Law Enforcement District due to annexation:

Beginning at the southeast corner of Lot 7, Block 8, Hal Brandt Tracts; thence north along the west right of way line of NE North Street a distance of 303.59 feet more or less to the northeast corner of Lot 10, Block 8, Hal Brandt Tracts, said point also being the southwest corner of the intersection of NE North Street and E Oregon Ave; thence east along the south line of E Oregon Ave a distance of 185 feet more or less to the northwest corner of Lot 10, Block 7, Hal Brandt Tracts; thence south a distance of 120 feet to the southwest corner of Lot 9, Block 7, Hal Brandt Tracts; thence west a distance of 15 feet to the southeast corner of Lot 2, Block 7, Hal Brandt Tracts; thence south 60 feet to the southeast corner of Lot 3, Block 7, Hal Brandt Tracts; thence west 110 feet to the southwest corner of said Lot 3, thence south along the east right of way line of NE North Street a distance of 123.71 feet to the southwest corner of Lot 5, Block 7, Hal Brandt Tracts; thence west along the south line of the Northwest Quarter of the Southwest Quarter of Section 2, Township 4 North, Range 28, EWM a distance of 60 feet to the point of beginning.

All being located in the Hal Brandt Tracts in the south half of the Northwest Quarter of the Southwest Quarter of Section 2, Township 4 North, Range 28 EWM, Umatilla County, State of Oregon

SECTION 2. The City Zoning Map shall include the real property described in Section 1 above, and shall be designated as Multi-Structure Residential on said map.

SECTION 3. The findings of fact as adopted by the Council on July 25, 2022 are incorporated herein by this reference.

SECTION 4. The City Recorder shall promptly transmit a record of annexation proceedings to the Secretary of State and notify the County Assessor of the change in boundary.

SECTION 5. The effective date of this ordinance shall be the thirtieth day after its adoption.

SECTION 6. This annexation shall be complete when all necessary documents have been accepted and filed by the Secretary of State.

ADOPTED by the Council this 25th day of July, 2022.

SIGNED by the Mayor this 25th day of July, 2022.

Dr. David Drotzmann, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER

DRAFT

CITY OF HERMISTON
APPLICATION FOR ANNEXATION

Pursuant to the provisions of ORS Chapter 222 and Chapter 150 of the Hermiston Code of Ordinances, application is hereby made to annex the following described property:

Name of Applicant: Josue S. Pena PENA Phone: 541-567-0335
Mailing Address: 120 Oregon Ave

Contact Person: _____ Phone: _____
Mailing Address: _____

Name of Owner (If Different): _____ Phone: _____
Mailing Address: _____

Legal Description: Assessor's Map No: 4N 28 02^{CB} PC Tax Lot No: 5500 + 5400

Subdivision (If Applicable): HAL BRANDT TRACTS Block 7 Lots 1, 2, 3

Street Address: 120 ~~NE NORTH ST~~ E Oregon Ave / 1650 NE Mah St

Current Comprehensive Plan Designation: MH Proposed Zoning Designation: R-4

Land Area (In Acres): 0.3 AC .45 acres

Existing Use of Property:
Number of Single-Family Units: 1 Number of Multi-Family Units: 0
Number of Commercial Units: 0 Number of Industrial Units: 0
Public Facilities or Other Uses: N/A
Population: Owners: 3 Tenants: _____ Voters: _____

Please Include the Names and Ages of All Residents:

3 PEOPLE	2 M	1 F
	83	62 83

Surrounding Use of Property:
North: RESIDENTIAL
South: "

East: RESIDENTIALWest: COMMERCIALCurrent Year Taxes: \$861.64 + \$306.18 Previous Year Taxes: \$829.73 + \$294.Total Assessed Valuation: \$55,160 + 19,600 = \$74,760.

Please provide a general description of the property including topography, vegetation, drainage basins, flood plain areas, etc.:

GENERALLY FLAT AND DEVELOPED RESIDENTIALLY

Please explain why the annexation has been proposed:

FAILING SEPTIC

If the property is undeveloped, please describe plans for future development. This description should describe whether the development will be residential, commercial or industrial and include building types, public facilities, number of units, etc.:

N/A

Does the proposed development conform to the uses allowed under the proposed zoning designation?

YES

Please provide the following information regarding services and utilities:

Location and size of the nearest water line:

E OREGON 8"

Location and size of the nearest sewer line:

E OREGON 8"

Proximity of other facilities (storm drains, gas lines, irrigation lines, etc.):

N/A

The time at which services can be reasonably provided by the city or other district:

AT ANNEXATION

The estimated cost of extending such facilities and/or services and the method of financing:

OWNER PAID

Availability of the desired service from any other unit of local government (Please indicated which government):

N/A

Please indicate the roads that adjoin the parcel or will provide service to the parcel:

E OREGON AVE
NE NORTH ST

Please indicate the condition of the roads and any improvements that are projected:

NE NORTH ST IS GRAVEL
E OREGON AVE IS PARTIALLY PAVED

Please indicate if any new roads will be created or extended through the property:

N/A

If the property is presently included within the boundaries of any of the following types of governmental units, please indicate by stating the name or names of the governmental units involved.

Rural Fire District: UCFD #1 Irrigation District: HID
 School District: HSD 8R Drainage District: N/A
 Library District: UMATILLA COUNTY Parks and Recreation District: N/A
 Special Road District: N/A

Please indicate which services are presently being received in the territory (For example, are residents receiving municipal water or sewer services?):

N/A

ADDITIONAL INFORMATION TO BE FURNISHED AND ATTACHED TO APPLICATION:

1. Evidence that applicant is owner or purchaser of the property or has written permission of such owner to make an application for the proposed use.
2. Two copies (one digital copy) of a site plan (11" x 17") drawn to scale, showing the location of the property concerned, the location of all proposed building(s), highways, streets and alleys.
3. A metes and bounds legal description of the entire property proposed for annexation. A metes and bounds legal description of each individual parcel is not sufficient.

The above statements are true to the best of my beliefs and knowledge. As applicant, I understand that the city council, planning commission and annexation advisory committee request the attendance of me, or my representative, at the meeting(s) where this request is scheduled for consideration and that the city council, planning commission and annexation advisory committee retain the right to approve or deny this request and impose those conditions as may be necessary to lessen probable adverse impacts based upon the testimony provided at the hearing.

I am the X owner/ owner(s) authorized representative.
 (If authorized representative, attach letter signed by owner or owners.)


 Signature of Applicant

JUNE 1, 2022
 Date

OUT OF POCKET EXPENSES FOR PUBLICATION COSTS WILL BE BILLED LATER

For further information, please feel free to contact the planning department at the Hermiston City Hall, 180 N.E. 2nd Street, Hermiston, Oregon 97838, or telephone (541) 567-5521. The City's fax number is (541) 567-5530.

OFFICE USE ONLY

Date Filed: 6-2-22 Received By: CS Meeting Date: 7-13-22
 Fee: \$700.00 Date Paid: 6-1-22 Receipt No: 8.04523

P R O C L A M A T I O N

IT IS HEREBY PROCLAIMED that at the regular meeting of July 25, 2022, the City Council of the City of Hermiston, Umatilla County, Oregon, did by unanimous vote annex the following described property, to-wit:

Beginning at the southeast corner of Lot 7, Block 8, Hal Brandt Tracts; thence north along the west right of way line of NE North Street a distance of 303.59 feet more or less to the northeast corner of Lot 10, Block 8, Hal Brandt Tracts, said point also being the southwest corner of the intersection of NE North Street and E Oregon Ave; thence east along the south line of E Oregon Ave a distance of 185 feet more or less to the northwest corner of Lot 10, Block 7, Hal Brandt Tracts; thence south a distance of 120 feet to the southwest corner of Lot 9, Block 7, Hal Brandt Tracts; thence west a distance of 15 feet to the southeast corner of Lot 2, Block 7, Hal Brandt Tracts; thence south 60 feet to the southeast corner of Lot 3, Block 7, Hal Brandt Tracts; thence west 110 feet to the southwest corner of said Lot 3, thence south along the east right of way line of NE North Street a distance of 123.71 feet to the southwest corner of Lot 5, Block 7, Hal Brandt Tracts; thence west along the south line of the Northwest Quarter of the Southwest Quarter of Section 2, Township 4 North, Range 28, EWM a distance of 60 feet to the point of beginning.
All being located in the Hal Brandt Tracts in the south half of the Northwest Quarter of the Southwest Quarter of Section 2, Township 4 North, Range 28 EWM, Umatilla County, State of Oregon

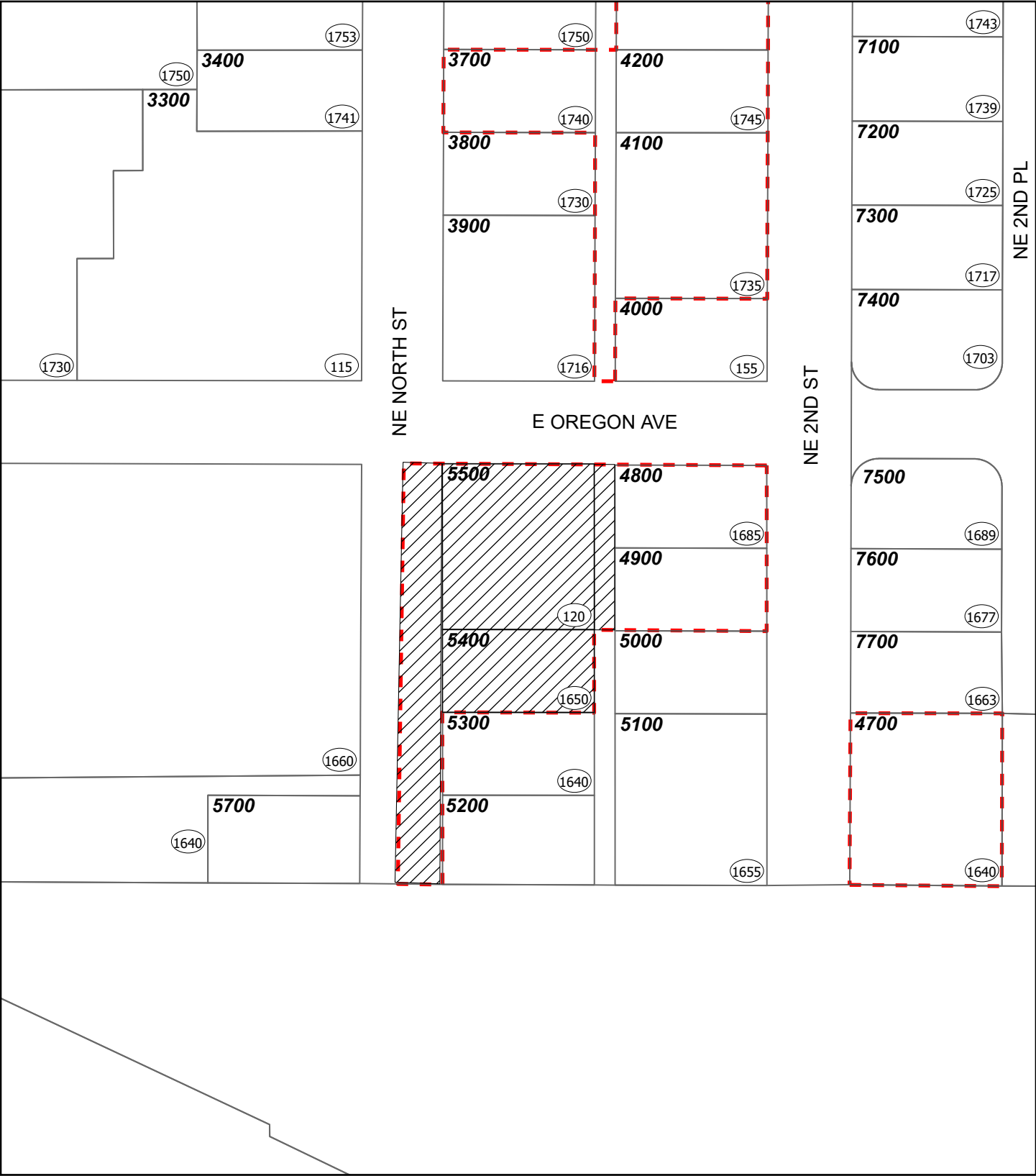
IT IS FURTHER PROCLAIMED that copies of this Proclamation be posted in four places in the City of Hermiston for two weeks.

DATED AT HERMISTON, OREGON, this 25th day of July, 2022.

ATTEST:

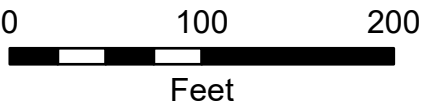
Dr. David Drotzmann, MAYOR

Lilly Alarcon-Strong, CMC, CITY RECORDER



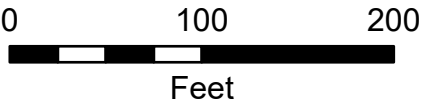
Legend

- Area of Proposed Annexation
- Property Line
- Urban Growth Boundary
- City Limits





Oregon Statewide Imagery Program (OSIP) - Oregon Imagery Framework Implementation Team



- Legend**
- Area of Proposed Annexation
 - Property Line
 - Urban Growth Boundary
 - City Limits



HERMISTON IRRIGATION DISTRICT



East Hurlburt Avenue
Hermiston, OR 97838-2445
Office: 541-567-3024
E-mail: Office@HermistonID.org

June 27, 2022

City of Hermiston
Planning Commission
Clint Spencer, Planning Director
180 NE 2nd St
Hermiston OR 97838

**RE: PENA, JESUS & ROSA
4N2802CB 5400 & 5500**

Planner Spencer,

HID has reviewed the information regarding the application for a propose of annexing the property to the City to connect to city services on property located at 120 E Oregon Ave and 1650 NE St, Hermiston OR, submitted by Jesus & Rosa Pena. Our records show that this property is within the District boundary. There are no water rights located on the property. There are no HID or federal easements on or adjacent to this property.

HID has no objections or stipulations to this application. Thank you for the opportunity to review and comment on this application.

Respectfully,

A handwritten signature in blue ink, appearing to read "Annette Kirkpatrick".

Annette Kirkpatrick
District Manager



Where Life is Sweet

Mayor and Members of the City Council

STAFF REPORT

For the Meeting of July 25, 2022

Title/Subject

Ordinance No. 2340 - Declaring a Ban on Psilocybin Service Centers or Manufacture of Psilocybin in the City of Hermiston and Referral to Electors

Summary and Background

Measure 109, approved by Oregon voters in November 2020, known as the Oregon Psilocybin Service Act (codified at ORS 475A), provides that the Oregon Health Authority shall license and regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision for psilocybin services. Psilocybin is a hallucinogenic chemical that is obtained from certain types of fresh and dried mushrooms. The psilocybin program begins January 2, 2023.

Per ORS 475A.718, a city council may adopt an ordinance prohibiting the establishment of psilocybin manufacturers and psilocybin service centers within the city, but the council must refer the ordinance to the voters at a statewide general election.

Approval of Ordinance No. 2340 would prohibit the establishment and operation of psilocybin service centers and psilocybin manufacturer within the City of Hermiston and would refer the issue to the electors of the city for approval at the next statewide election.

The authority to impose a tax or fee on the manufacturing or sale of psilocybin products, or the provision of psilocybin services in Oregon is vested solely in the Legislative Assembly. Additionally, Measure 109 prohibits a city from adopting or enacting an ordinance imposing a tax or fee on psilocybin manufacturing or the provision of psilocybin services. Consequently, approval of this measure should not have any revenue impacts on the City.

Tie-In to Council Goals

Fiscal Information

Alternatives and Recommendation

Alternatives

Approve Ordinance No. 2340 and Ban Psilocybin Service Centers or Manufacture of Psilocybin in the City of Hermiston and Refer to Electors.

Reject Ordinance No. 2340 and allow Oregon Psilocybin Service Act to take effect on January 2, 2023.

Recommended Action/Motion

Motion to approve Ordinance No. 2340

Submitted By:

Richard Tovey

ORDINANCE NO. 2340**AN ORDINANCE DECLARING A BAN ON PSILOCYBIN SERVICE CENTERS AND THE MANUFACTURE OF PSILOCYBIN PRODUCTS AND REFERRAL TO THE ELECTORS OF THE CITY OF HERMISTON FOR APPROVAL AT THE NEXT STATEWIDE GENERAL ELECTION**

WHEREAS, in November 2020, Oregon voters approved Ballot Measure 109, known as the Oregon Psilocybin Service Act (codified at ORS 475A), which allows for the manufacture, delivery and administration of psilocybin at licensed facilities; and

WHEREAS, ORS 475A.235 provides that the Oregon Health Authority will regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services in the state; and

WHEREAS, the Oregon Health Authority has initiated a rulemaking process to implement the state's psilocybin regulatory program and intends to begin accepting applications for psilocybin-related licenses on January 2, 2023; and

WHEREAS, as of this date, the Oregon Health Authority has not completed the rulemaking process for implementing the state's psilocybin regulatory program, and the City of Hermiston is uncertain how the manufacture, delivery and administration of psilocybin at licensed psilocybin facilities will operate within the city; and

WHEREAS, ORS 475A.718 provides that a city council may adopt an ordinance to be referred to the electors of the city prohibiting the establishment of state licensed psilocybin product manufacturers and/or psilocybin service centers in the area subject to the jurisdiction of the city; and

WHEREAS, the City Council seeks to refer to the voters of the City of Hermiston the question of whether to establish a ban on state-licensed psilocybin product manufacturers and psilocybin service centers within the city's jurisdictional boundaries.

NOW, THEREFORE, THE CITY OF HERMISTON ORDAINS AS FOLLOWS:

1. Prohibition. The establishment of psilocybin product manufacturers licensed under ORS 275A.290 and psilocybin service centers licensed under ORS 475A.305 is prohibited in the City of Hermiston.
2. Referral. This ordinance is referred to the electors of the City of Hermiston for approval at the next statewide general election on November 8, 2022.

3. Effective Date. This ordinance takes effect and becomes operative 30 days after the day on which it is approved by a majority of voters.

PASSED by the Common Council this 25th day of July, 2022.
SIGNED by the Mayor this 25th day of July, 2022.

Dr. David Drotzmann, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 25, 2022

Title/Subject

Resolution 2235- NW 3rd Street Roadway Improvements Contract Award.

Summary and Background

This project will pave the currently unpaved gravel portion of NW 3rd Street between Marie & Standard.

Paving the few remaining sections of gravel roadway in the City has been a desire of Council for many years, and in the development of the Streets Capital Improvement Plan, this section of NW 3rd was identified as a priority. However, this section was never prioritized up in to the 5 year planning window due to available funds.

With the reconstruction of N 1st Place, and simultaneous replacement of underground utilities, it was identified that NW 3rd makes the most sense as use for a detour route. At staff's request, ODOT has agreed to allow the state funding being used for the N 1st project to be used to pave the gravel portion of 3rd for use as a detour route.

To be ready for demolition work to begin on N 1st in early 2023, the construction of this detour route will be completed in the Fall of 2022.

Bids were opened on July 19, and two bids were received with Tapani, Inc. submitting the lowest responsible bid. Anderson Perry & Associates, Inc. recommends awarding the contract to Tapani, Inc.

Bids received:

1. Tapani, Inc- \$142,241.00
2. Granite Construction Company- \$159,700.00

Tie-In to Council Goals

Implement Capital Improvement Plan.

Fiscal Information

The N 1st Place project is 100% funded by earmarked state funds from HB2017 in 2017. There is no match requirement.

Alternatives and Recommendation

Alternatives

1. Approve Resolution 2235
2. Reject Resolution 2235

Recommended Action/Motion

Motion to approve Resolution 2235

Submitted By:

Mark Morgan

RESOLUTION NO. 2235

A RESOLUTION AWARDING A CONTRACT FOR NW 3rd STREET ROADWAY IMPROVEMENTS AND AUTHORIZING THE CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS ON BEHALF OF THE CITY

WHEREAS, the City of Hermiston has developed the need for paving improvements to NW 3rd Street between W Marie Avenue and W Standard Avenue; and

WHEREAS, notice was published and bids were received, with Tapani, Inc. being the lowest responsible bidder with a bid of an amount not to exceed \$142,241.00; and

WHEREAS, the City has funds available for this project.

NOW, THEREFORE, THE CITY OF HERMISTON RESOLVES AS FOLLOWS:

1. That Tapani, Inc. is awarded the contract for the NW 3rd Street roadway improvements.
2. That the City Manager be, and is, hereby authorized to execute and deliver the contract for the NW 3rd Street roadway improvements to Tapani, Inc. with such changes, additions, deletions and modifications as the City Manager may approve.
3. That the City Manager is authorized to execute the contract in the amount of \$142,241.00.
4. That pursuant to ORS 221.310(3), that this resolution is effective immediately upon its passage.

PASSED by the Common Council this 25th day of July, 2022.

SIGNED by the Mayor this 25th day of July, 2022.

Dr. David Drotzmann, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 25, 2022

Title/Subject

Decision related to EOTEC Field Development

Summary and Background

About four years ago, the City was approached by a group interested in assisting in the development of fields at the Eastern Oregon Trade and Event Center (EOTEC). The Council was excited about the prospect then but asked the group to wait for the completion of the EOTEC Strategic Plan and the EOTEC Site Master Plan. Then the restrictions related to the COVID-19 pandemic impacted the facility and delayed further discussion even more.

This group (a coalition of lacrosse, soccer and football interests) reenergized their efforts earlier in 2022. The group presented their plan to raise funding to develop the front 20 acres (bordering Airport Road) into athletic fields. Their full project includes lighting, irrigation and turf development with a total cost of more than \$2.5 million. There is an ability to scale the most expensive portion of the project (lighting) if fundraising is slower than expected.

The fundraising group presented to the EOTEC Advisory Committee earlier in July and the Committee voted to endorse the project.

Tie-In to Council Goals

Council goal #15 is to “Begin Implementation of EOTEC Strategic Plan”.

The strategic plan priorities include #5-Add a multi-sports facility and #2-Improve the landscaping and overall beautification of the site.

Fiscal Information

The overall project is estimated to ~\$2 million. \$150,000 will be the City’s portion in connecting the project to site infrastructure.

Alternatives and Recommendation

Alternatives

1. Motion to move forward with field development project as outlined.
2. Motion to modify and then move forward with field development project as modified.
3. Motion to direct staff and volunteers to make major changes to the project and return in the future.

Recommended Action/Motion

Motion to move forward with field development project as outlined.

Submitted By: Byron D. Smith



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 25, 2022

Title/Subject

4th Quarter Investment Report FY2022

Summary and Background

4th quarter performance of the portfolio felt the effects of an unstable market. The total investable portfolio saw a loss of approximately 2.25% during the quarter. The good news is the total portfolio's annualized return since inception (2019) is .40%. There was positive movement in investment rates in April and May of the quarter and we did benefit (to a small degree) from the upward rate movement.

LGIP rates matched the market frenzy with rate movements by increasing 60 basis points (from .55% to the current rate of 1.15% in four rate increases) during the quarter. More rate increases are expected in the through the 1st and 2nd quarters of FY2023.

We are actively reviewing the entire portfolio for "swap" opportunities to benefit from the market swings.

In the next six months, we have one maturity of \$75,000 (Oceanside CA Municipal bond) on 9/1/2022. A FarmerMac agency bullet issue of \$500,000 (due to mature January 3, 2023) was "swapped" out on July 12, 2022 to take advantage of increases in rates in the US Agencies issues.

Tie-In to Council Goals

Fiscal Prudence

Fiscal Information

None

Alternatives and Recommendation

Alternatives

NONE

Recommended Action/Motion

Accept the 4th Quarter FY2022 Investment Report as presented.

Submitted By:

Mark Krawczyk

FY2022 4th Quarter Investment Summary Report

Rating	Trade Date	Settlement Date	Par	Current Value	Cusip	Security	Coupon	Maturity	Callable
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Fidelity Gov't Cash Reserves \$28,791 \$28,791

CORPORATE - FINANCIALS/BONDS

A2/A-/AA-	03/22/22	03/24/22	\$70,000	\$69,923	JP Morgan	1.26714	2.21	4/26/2023	NC
1.00 min rate/6.00 max rate/ libor +100									
F2F 3.25% Fixed until 4/27/20 then 3 month libor +40 bps									
A2/A-/AA-	5/11/2022	5/13/2022	\$100,000	\$100,975	06053FAA7	Bank of America	4.1	7/24/2023	NC
A2/A-/AA-	3/17/2021	3/19/2021	\$25,000	\$24,633	48126D6T1	JP Morgan	1.187	09/11/23	NC
3M LIBOR +100 bps									
A2/A-/AA-	7/22/2020	7/24/2020	\$200,000	\$199,963	46625HRW2	JP Morgan	Floater	10/24/2023	10/24/2022
Aa1/AA+	5/1/2019	5/3/2019	\$350,000	\$349,363	037833CG3	Apple	3.00	2/9/2024	12/9/2023
Aa2/AA-	10/6/2020	10/8/2020	\$200,000	\$199,636	166764BT6	Chevron	2.90	3/3/2024	1/3/2024
A2/A-/A+	10/6/2020	10/8/2020	\$90,000	\$89,458	06051GHE2	Bank of America	1.04	3/5/2024	3/5/2023
Aa1/AA	10/30/2020	11/3/2020	\$115,000	\$115,074	30231GAC6	Exxon Mobil	3.18	3/15/2024	12/15/2023
A2/A-/AA-	9/29/2020	10/1/2020	\$135,000	\$131,637	46647PBQ8	JP Morgan	1.51	6/1/2024	6/1/2023
F2F 1.514 Fixed until 6/1/2023, then 3M SOFR +145.5 bps									
A2/A-/A+	9/21/2020	9/23/2020	\$150,000	\$149,495	06051GHL6	Bank of America	3.86	7/23/2024	7/23/2023
F2F 3.864 Fixed until 7/23/2023 then 3 month libor +94 bps									
Aa2/A-/AA-	11/5/2021	11/9/2021	\$200,000	\$196,521	341081FZ5	Florida Power & Light	2.85	4/1/2025	3/1/2025
A1/BBB+/A+	3/24/2022	3/28/2022	\$240,000	\$235,958	94974BGP9	Wells Fargo	3.55	9/29/2025	NC
A1/BBB+/A+	3/24/2022	3/28/2022	\$100,000	\$95,295	95000U2H5	Wells Fargo F2F	1.00	10/30/2025	10/30/2024
F2F 2.406 FIXED until 10/30/2024 then LIBOR +82.5 BPS									
A1/BBB+	8/3/2021	8/5/2021	\$40,000	\$35,276	95001DB25	Wells Fargo Step Up	1.00	2/21/2026	8/21/2022
1.00 @ 8/1/2020, 1.19 @ 8/1/2024, 1.50 @ 8/1/2025									
A2/A-	8/23/2021	8/25/2021	\$250,000	\$241,425	91159HHM5	US Bank	3.10	4/27/2026	3/27/2026
A1/BBB+/A+	9/27/2021	9/29/2021	\$150,000	\$140,459	95000U2N2	Wells Fargo F2F	2.19	4/30/2026	4/30/2025
2.188 Fixed to 4/30/2025, then 1 DAY SOFR + 200bps									
A2/A-	7/20/2021	7/22/2021	\$60,000	\$54,496	06051GJD2	Bank of America	1.32	6/19/2026	6/19/2025
TOTAL CORPORATE BONDS			\$2,475,000	\$2,429,587	-1.83%				

MUNICIPALS

- /AA	6/25/2019	6/29/2020	\$75,000	\$75,156	67537RAS0	Oceanside CA Rev	3.25	9/1/2022	-
Aa3/AA	6/30/2020	7/2/2020	\$75,000	\$74,412	072024WN8	Bay Area CA Toll Bridge Rev	2.18	4/1/2023	-
Aa2/A+	12/29/2020	12/31/2020	\$95,000	\$95,264	68587FAF1	Oregon Edu Dist Full Faith Pens	3.62	6/30/2024	-
Aa2/-/AA	7/15/2020	7/17/2020	\$200,000	\$194,772	73474TAQ3	Port of Morrow OR Trans Rev	2.18	9/1/2024	-
/AA	7/9/2020	7/15/2020	\$70,000	\$68,592	861398CH6	Stockton CA Pub Fin Wtr Rev	2.37	10/1/2024	-
Aa2/AA+	7/17/2020	7/22/2020	\$200,000	\$201,044	5447ERW6	Los Angeles Cnty Pub Wks Fing	3.74	12/1/2024	-
Aa2/AA+	7/8/2020	7/10/2020	\$25,000	\$24,612	79765DS27	SF CA City and Cnty COPS	2.85	4/1/2025	-
- /AA+	7/21/2020	7/23/2020	\$25,000	\$24,715	904121NE6	Umatilla Cnty OR SD No 8	3.02	6/15/2025	-
Aa1/	7/8/2020	7/10/2020	\$125,000	\$116,781	9397203H9	WA St Ctf's Partn Rev	1.20	7/1/2025	-
TOTAL MUNICIPALS			\$890,000	\$875,348	-1.65%				

CALLABLE AND BULLET AGENCIES / US TREASURIES

NA/NA	1/13/2020	1/14/2020	\$500,000	\$498,115	31422BRU6	Fed Aricultural Mtg. Corp	1.63	1/3/2023	NC
Aaa/AA+	11/5/2021	11/24/2021	\$150,000	\$144,750	3130APT96	FHLB	0.50	11/24/2023	2/24/2022
Aaa/AA+	5/11/2022	5/24/2022	\$100,000	\$99,591	3130ARZ95	FHLB	2.70	11/24/2023	5/24/2023
Aaa/AA+	11/8/2021	11/22/2021	\$200,000	\$193,098	3130APP58	FHLB	0.63	2/22/2024	2/22/2022
Aaa/AA+	11/5/2021	11/22/2021	\$150,000	\$143,559	3130APTD7	FHLB	0.84	11/22/2024	2/22/2022
Aaa/AA+	12/21/2021	12/30/2021	\$125,000	\$119,721	3130AQEX7	FHLB	1.05	12/30/2024	3/20/2022
AAA/AA+	4/25/2022	4/28/2022	\$125,000	\$124,077	3130ARN72	FHLB	3.00	1/28/2025	7/28/2022
Aaa/	6/24/2021	6/30/2021	\$200,000	\$185,568	3130AMT28	FHLB	1.00	6/30/2026	12/30/2021
Aaa/AA+	11/5/2021	11/23/2021	\$250,000	\$234,958	3130APSX4	FHLB -step up (quarterly)	0.75	11/23/2026	2/23/2022
TOTAL AGENCIES			\$1,800,000	\$1,743,437	-3.14%				

INVESTMENT METRICS

	PAR	CURRENT VALUE		TARGET	ACTUAL
TOTAL INVESTABLE PORTFOLIO	\$5,193,791	\$5,077,163	-2.25%	CASH RESERVES	\$28,791 0.3374%
				CORPORATES	35% \$2,475,000 29.0083%
LGIP @ 6/30/2022**	\$3,338,258	\$3,338,258	1.15%	MUNICIPALS	10% \$890,000 10.4313%
				AGENCIES / TREASURIES	NONE \$1,800,000 21.0969%
TOTAL INVESTMENTS @ 6/30/2022**	\$8,532,049	\$8,415,421		LGIP	NONE \$3,338,258 39.1261%
					100.0000%
TOTAL LIQUIDITY / FF&C (including ARPA Funds)		\$6,230,762	73.03%		

PURCHASED IN 4TH QUARTER FY2022

**Less ARPA funds \$1,973,713.45 treated as restricted		Weighted Avg Maturity	TARGET 2.5 yrs	ACTUAL 2.243
Total Funds Invested (including ARPA Funds)	\$10,389,134	% of portfolio callable	75%	63.86%



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 25, 2022

Title/Subject

June 2022 Financial Report

Summary and Background

This is the monthly overview of the previous month's financial position of the city.

Tie-In to Council Goals

Fiscal Prudence

Fiscal Information

None

Alternatives and Recommendation

Alternatives

None

Recommended Action/Motion

Request a motion to accept/approve the June 2022 Financial Report as presented

Submitted By:

Mark Krawczyk

June 2022 Financial Report

Preliminary Only



Department of Finance
June 2022
(Unaudited)

FY2021-2022 Monthly Financial Report

Section 10, Item C.

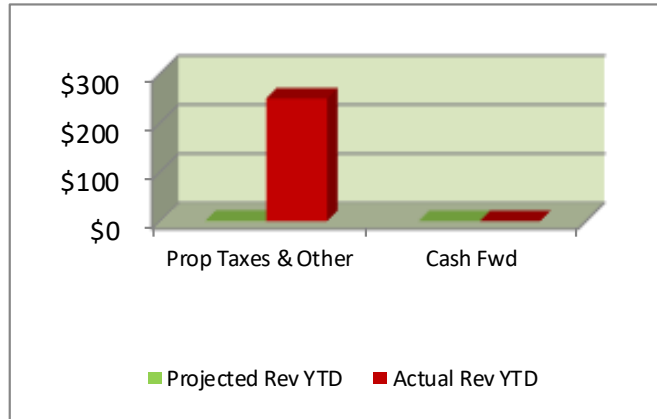
Hermiston Urban Renewal Agency (HURA)

For the Month Ending June 30, 2022

Resources

Through April June 30, 2022

by Category



	Annual Proj Rev	Actual Rev (YTD	% Var
Prop Taxes & Other	\$ 240	\$ 250	104%
Cash Fwd	167	-	0%
Total	\$ 407	\$ 250	61%

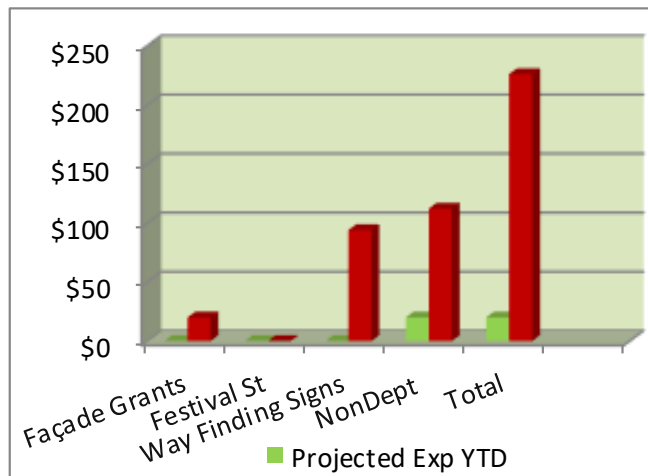
Note: Variance is calculated as % of revenue YTD

Expenditures

Through April June 30, 2022

by Character

(in \$1,000)



	Annual Proj Exp	Actual Exp (YTD	% Var
Façade Grants	\$ 50	\$ 20	40%
Festival St	\$ 3	\$ -	0%
Way Finding Signs	\$ 105	\$ 94	90%
NonDept	\$ 249	\$ 112	45%
Total	\$ 407	\$ 226	56%

Note: variance is calculated as % of expenses YTD.

The FY2021-22 budget for the Urban Renewal Agency is \$ 406,918. This includes \$50,000 for Façade Grants, \$3,000 for the Festival Street, \$105,500 in Way Finding Signs, and \$245,418 for Non-Departmental expenses.

Revenues collected in June, 2022 for HURA amounted to \$5,263 for total revenue to date of \$250,113, or 105% of the revenue projection (\$237,842) for FY2022.

FY2021-2022 Monthly Financial Report

Section 10, Item C.

City of Hermiston, Oregon

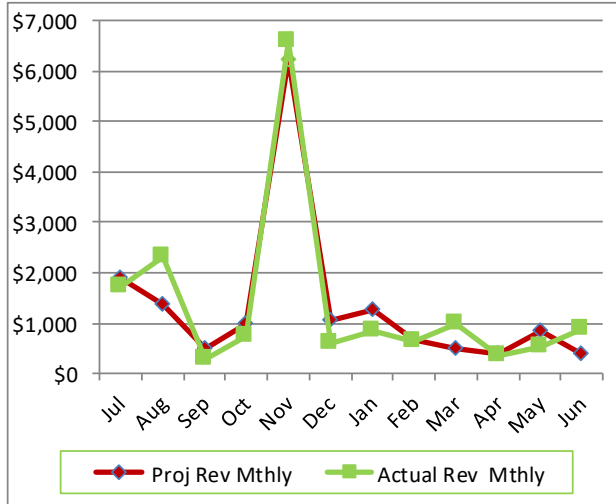
General Fund Resources

For the Month Ending June 30, 2022

General Fund Resources Summary

Through June 30, 2022

(in \$1,000)



	Proj Rev Mthly	Rev Proj YTD	Actual Rev Mthly	Var Fav/ (Unfav)	% Var
Jul	\$ 1,899	\$ 1,899	\$ 1,727	\$ (172)	-9%
Aug	\$ 1,384	\$ 1,384	\$ 2,316	\$ 932	67%
Sep	\$ 515	\$ 515	\$ 305	\$ (211)	-41%
Oct	\$ 975	\$ 975	\$ 728	\$ (247)	-25%
Nov	\$ 6,239	\$ 6,239	\$ 6,592	\$ 353	6%
Dec	\$ 1,046	\$ 1,046	\$ 620	\$ (425)	-41%
Jan	\$ 1,253	\$ 1,253	\$ 842	\$ (410)	-33%
Feb	\$ 669	\$ 669	\$ 631	\$ (39)	-6%
Mar	\$ 499	\$ 499	\$ 974	\$ 475	95%
Apr	\$ 380	\$ 380	\$ 365	\$ (15)	-4%
May	\$ 837	\$ 837	\$ 522	\$ (315)	-38%
Jun	\$ 382	\$ 382	\$ 883	\$ 501	131%
Total YTD	16,079	16,077	16,505	427	2.7%
Cash Fwd	874	-	-	-	0%
Total	\$ 16,954	\$ 16,077	\$ 16,505	427	2.7%

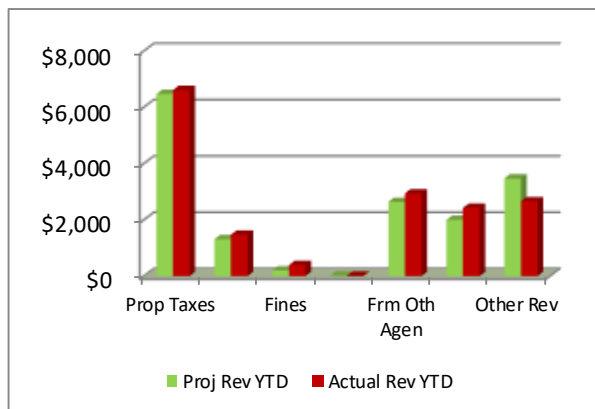
Estimated General Fund revenues for the 2021-22 fiscal year are **\$16,951,709**. Projected revenues for June were **\$382,180**, compared to actual revenues of **\$833,055**, a variance of **\$427,245**. The fund is currently **\$500,876** more than projected through June, or, **2.7% more** than projections for the year.

General Fund - All Resources

by Category

Through June 30, 2022

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 6,466	\$ 6,466	\$ 6,608	\$ 142	2%
Lic & Fran	\$ 1,309	\$ 1,309	\$ 1,475	\$ 165	13%
Fines	\$ 200	\$ 200	\$ 392	\$ 192	96%
Interest Rev	\$ 15	\$ 15	\$ 11	\$ (4)	-24%
Frms Oth Agen	\$ 2,629	\$ 2,629	\$ 2,938	\$ 310	12%
Svc Chgs	\$ 1,993	\$ 1,993	\$ 2,424	\$ 431	22%
Other Rev	\$ 3,466	\$ 3,466	\$ 2,656	\$ (810)	-23%
Cash Fwd	\$ 874	\$ -	\$ -	\$ -	0%
Total	\$16,952	\$ 16,077	\$ 16,505	\$ 427	2.7%

Note: variance is calculated as a percent of the projected revenue YTD.

FY2021-2022 Monthly Financial Report

Section 10, Item C.

City of Hermiston, Oregon

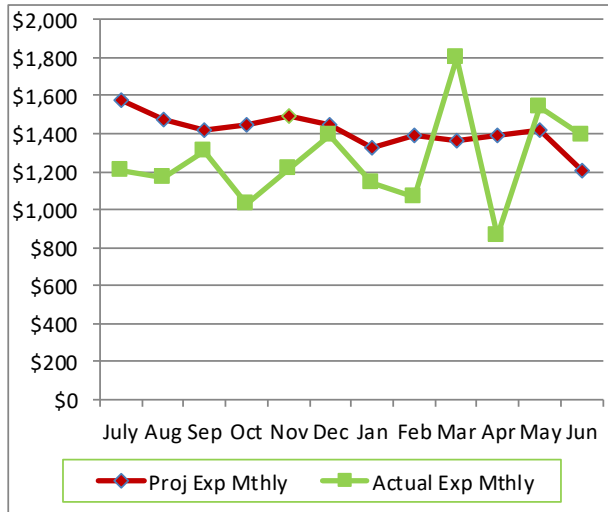
General Fund Expenditures

For the Month Ending June 30, 2022

General Fund Expenditure Summary

Through June 30, 2022

(in \$1,000)



	Proj Exp Mthly	Proj Exp YTD	Actual Exp Mthly	Var Fav/ (Unfav)	% Var
July	\$ 1,579	\$ 1,579	\$ 1,207	\$ 372	24%
Aug	\$ 1,476	\$ 1,476	\$ 1,165	\$ 311	21%
Sep	\$ 1,418	\$ 1,418	\$ 1,305	\$ 113	8%
Oct	\$ 1,443	\$ 1,443	\$ 1,025	\$ 418	29%
Nov	\$ 1,495	\$ 1,495	\$ 1,211	\$ 284	19%
Dec	\$ 1,444	\$ 1,444	\$ 1,389	\$ 55	4%
Jan	\$ 1,328	\$ 1,328	\$ 1,139	\$ 189	14%
Feb	\$ 1,389	\$ 1,389	\$ 1,070	\$ 319	23%
Mar	\$ 1,367	\$ 1,367	\$ 1,797	\$ (431)	-32%
Apr	\$ 1,391	\$ 1,391	\$ 860	\$ 531	38%
May	\$ 1,419	\$ 1,419	\$ 1,540	\$ (120)	-8%
Jun	\$ 1,202	\$ 1,202	\$ 1,390	\$ (188)	-16%
Total YTD	16,952	16,952	15,097	1,854	10.9%
Contngcy		-	-	-	0%
Total	\$ 16,952	\$ 16,952	\$ 15,097	\$ 1,854	10.9%

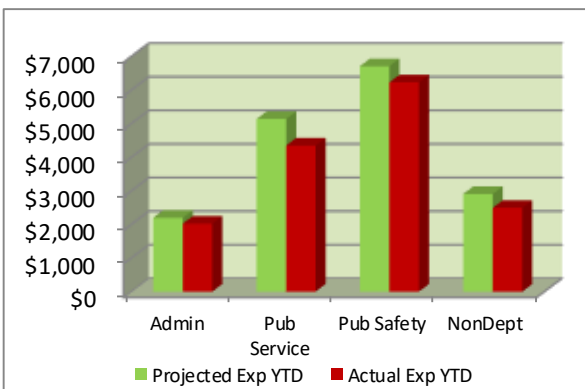
Projected General Fund monthly expenditures for June were **\$1,202,013**. Actual expenditures were **\$1,389,571**, which is **\$187,558** more than projected. Even with this overage in June, the General Fund expenditures (for FY2022) are still **\$2,041,461 (10.9%)** below projected for FY2022.

General Fund Expenditures

by Consolidated Department

Through June 30, 2022

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 2,199	2,199	2,024	175	8%
Pub Service	5,140	5,139	4,350	790	15%
Pub Safety	6,710	6,709	6,230	479	7%
NonDept	2,904	2,904	2,493	411	14%
Unapp	-	-	-	-	0%
Total	\$16,952	\$ 16,952	\$ 15,097	\$ 1,855	10.9%

Note: variance is calculated as a percent of the projected expenditures YTD.

FY2021-2022 Monthly Financial Report

Section 10, ItemC.

General Fund Expenditure Detail For the Month Ending June 30, 2022

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	65,599	65,598	37,181	28,417	43%
City Manager/Planning	1,192,109	1,192,109	1,154,307	37,802	3%
Finance	642,502	642,502	622,226	20,276	3%
Legal	298,450	298,450	210,300	88,150	30%
Total Administration	2,198,660	2,198,659	2,024,014	174,646	8%
Transportation	362,000	362,000	288,473	73,527	20%
Airport	329,500	329,500	271,283	58,217	18%
Bldg Inspection	618,377	618,378	474,073	144,305	23%
Parks	756,809	756,811	721,099	35,712	5%
Parks/Utility Landscaping	61,003	61,003	42,933	18,070	30%
Pool	608,329	608,328	534,856	73,472	12%
Municipal Buildings	142,436	142,436	139,703	2,733	2%
Library	963,386	963,386	859,574	103,812	11%
Recreation	976,804	976,804	781,271	195,533	20%
Community Center	257,569	257,569	183,480	74,089	29%
Harkenrider Center	63,258	63,258	52,862	10,396	16%
Total Public Services	5,139,471	5,139,472	4,349,607	789,866	15%
Court	753,538	753,538	541,350	212,188	28%
Public Safety Center	68,000	68,000	55,401	12,599	19%
Police Operations	5,887,789	5,887,789	5,633,670	254,119	4%
Total Public Safety	6,709,327	6,709,327	6,230,421	478,906	7%
Non-Departmental	2,904,253	2,904,252	2,493,166	411,086	14%
Unappropriated	0	0	0	0	0%
Total Non-Dept	2,904,253	2,904,252	2,493,166	411,086	14%
Total	16,951,711	16,951,711	15,097,207	1,854,503	10.9%

For June, Total **Administration** is \$174,646 less than projected for FY2022. **Total Public Services** is \$789,866 less than projected for FY2022. **Public Safety** is \$478,906 less than projected for FY2023. The total **General Fund expenses** are \$1,854,503 less than projected (10.93%) for FY2022.

FY2021-2022 Monthly Financial Report

Section 10, Item C.

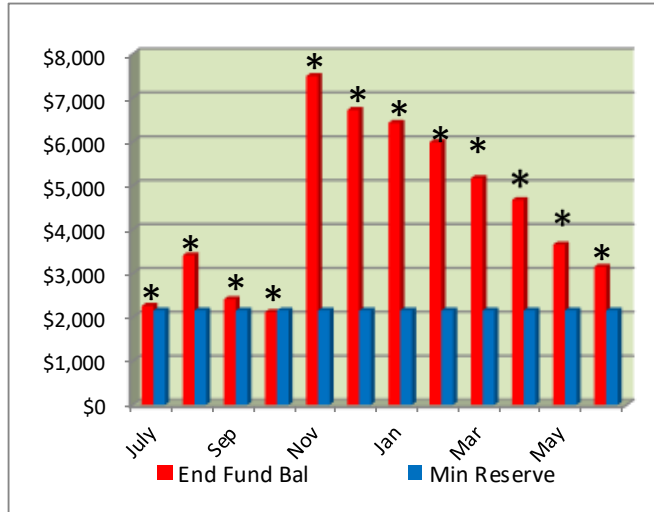
Fund Balance - General Fund For the Month Ending June 30, 2022

General Fund

Through June 30, 2022

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$2,150,851

	Begin Fund Bal	Revenue	Expense	End Fund Bal	ACT/PROJ Fund Bal
July	\$ 1,737	\$ 1,727	\$ (1,207)	\$ 2,257	ACT*
Aug	\$ 2,257	\$ 2,316	\$ (1,165)	\$ 3,408	ACT*
Sep	\$ 3,408	\$ 305	\$ (1,305)	\$ 2,408	ACT*
Oct	\$ 2,408	\$ 728	\$ (1,025)	\$ 2,111	ACT*
Nov	\$ 2,111	\$ 6,592	\$ (1,211)	\$ 7,491	ACT*
Dec	\$ 7,491	\$ 620	\$ (1,389)	\$ 6,723	ACT*
Jan	\$ 6,723	\$ 842	\$ (1,139)	\$ 6,426	ACT*
Feb	\$ 6,426	\$ 631	\$ (1,070)	\$ 5,987	ACT*
Mar	\$ 5,987	\$ 974	\$ (1,797)	\$ 5,164	ACT*
Apr	\$ 5,164	\$ 365	\$ (860)	\$ 4,669	ACT*
May	\$ 4,669	\$ 522	\$ (1,540)	\$ 3,651	ACT*
June	\$ 3,651	\$ 883	\$ (1,390)	\$ 3,144	ACT*
Total	\$ 1,737	\$ 16,504	\$ (15,098)	\$ 3,144	

The General Fund balance at the end of FY2022 is approximately **\$3,114,000**, which is approximately **\$963,149 (or 1.45 times)** the current Minimum Reserve requirement of \$2,150,851.

The General Fund reserve policy is to maintain a 15% fund balance (approximately two months of expenditures) based on the prior fiscal year activity.

FY2021-2022 Monthly Financial Report

Section 10, Item C.

Special Revenue Funds Report For the Month Ending June 30, 2022

Special Revenue Funds Resources & Requirements

	2021-22 Annual Budget	Actual YTD	Remaining Budget
02 Bonded Debt Fund			
Resources	692,980	516,342	176,638
Expenditures	533,120	533,105	15
Unappropriated Balance	159,860	N/A	N/A
05 Transient Room Tax (TRT)			
Resources	953,230	1,066,857	113,627
Expenditures	953,230	1,072,666	(119,436)
Unappropriated Balance	-	N/A	N/A
08 Reserve Fund			
Resources	12,632,203	4,420,017	8,212,186
Expenditures	12,632,203	3,395,411	9,236,792
Unappropriated Balance	1,094,394	N/A	N/A
11 Miscellaneous Special Revenue			
Resources	273,000	63,144	209,856
Expenditures	273,000	208,800	64,200
Unappropriated Balance	-	N/A	N/A
19 Christmas Express Special Revenue			
Resources	45,037	25,151	19,886
Expenditures	40,037	19,129	20,908
Unappropriated Balance	5,000	N/A	N/A
20 Law Enforcement Special Revenue			
Resources	103,118	20,524	82,594
Expenditures	82,125	36,294	45,831
Unappropriated Balance	20,993	N/A	N/A
21 Library Special Revenue			
Resources	35,800	8,396	27,404
Expenditures	3,300	6,122	(2,822)
Unappropriated Balance	32,500	N/A	N/A
23 Enterprise Zone Project Fund			
Resources	2,206,674	950,013	1,256,661
Expenditures	1,743,300	874,625	868,675
Unappropriated Balance	463,374	N/A	N/A
25 EOTEC Operations			
Resources	627,793	465,967	161,826
Expenditures	627,793	563,288	64,505
Unappropriated Balance		N/A	N/A

Beginning with the 2016-17 fiscal year the City began distinguishing within the funds some part of ending fund balance as contingency and some as reserved for future expenditure. The contingency is included in appropriations while the reserve for future expenditures is unappropriated.

The City uses multiple Special Revenue funds to account for revenues that are restricted to expenditure for particular purposes. They include funds for debt service, economic development, parks and recreation, capital projects, and grants. Since these funds are not operational in nature and used for specific purposes from year-to-year, their expenditures do not typically follow a predictable pattern so budget variances are not calculated for them.

FY2021-2022 Monthly Financial Report

Section 10, Item C.

Utility and Street Funds Report

For the Month Ending June 30, 2022

Utility and Street Funds Report

Resources & Expenditures

	2021-22 Annual Budget	Projected YTD	Actual YTD	Variance Fav/(Unfav)	% Variance
04 Street Fund					
Resources	1,950,474	1,564,488	1,895,643	331,155	21%
Expenditures	1,900,474	1,900,474	1,583,428	317,046	17%
Contingency	50,000	N/A	N/A	N/A	N/A

06 Utility Fund					
Resources	11,293,901	9,284,214	10,455,782	1,171,568	13%
Expenditures	10,757,600	10,757,600	9,314,799	1,442,801	13%
Contingency	536,301	N/A	N/A	N/A	N/A

13 HES Fund					
Resources	12,178,457	9,843,323	10,549,818	706,495	7%
Expenditures	10,139,906	10,139,906	9,314,237	825,669	8%
Contingency	2,038,551	N/A	N/A	N/A	N/A

15 Regional Water Fund					
Resources	1,775,591	1,511,000	1,126,728	(384,272)	-25%
Expenditures	1,310,402	1,310,402	1,048,333	262,069	20%
Contingency	465,189	N/A	N/A	N/A	N/A

All four of these funds are projected on a straight line, 1/12th of budgeted expense or revenue per month. This practice means the seasonal/cyclical nature of the various funds is not accounted for on a month-to-month projected basis.

Revenues for the **Street Fund** are **\$331,155** over projected. Expenditures are **\$317,046** below projected.

Revenues in the **Utility Fund** are **\$1,171,568** over projected. Expenditures are **\$1,442,801** below projected.

The **HES Fund** revenue is **\$706,495** over projected. Expenditures are **\$825,669** below over projected.

The **Regional Water Fund** revenues are **\$384,272** below projected. Expenditures-to-date are **\$262,069** below projected.

FY2021-2022 Monthly Financial Report

Section 10, Item C.

City of Hermiston, Oregon Utilities/Streets Capital Projects Report For the Month Ending June 30, 2022

	2021-2022 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Well #6 B/U Generator	\$ 320,000	\$ 36,154	\$ 320,000	\$ 41,929	13.10%
Lift Station #3 Upgrade	\$ 550,000	\$ 326,099	\$ 550,000	\$ 359,074	65.29%
Geer & Harper Re-alignment	\$ 125,000	\$ 5,887	\$ 125,000	\$ 11,062	8.85%
N. 1st Place Reconstruction	\$ 100,000	\$ 69,000	\$ 100,000	\$ 82,000	82.00%
N. 1st Place Water Line Replacement	\$ 100,000	\$ 26,008	\$ 100,000	\$ 26,008	26.01%
Gladys & Main Waterline Replacement	\$ 100,000	\$ -	\$ 100,000	\$ -	0.00%
Lift Station #6 Reconstruction	\$ 450,000	\$ 28,088	\$ 450,000	\$ 31,588	7.02%
McDonald's & 395 Sewer Main Replacement	\$ 330,000	\$ 19,500	\$ 330,000	\$ 22,000	6.67%
Total	\$ 2,075,000	\$ 510,736	\$ 2,075,000	\$ 573,661	27.65%

Well #6 Backup Generator

Well No. 6 is the primary well and the only well available that could provide minimal water supply to lower pressure zones in the city during a power outage. The current pump was last repaired in 1994, and the backup pump lacks the capacity to service the pressure zone. The pump covers service area including Walmart Distribution Center, Eastern Oregon Higher Education Center, Pioneer Seed, and EOTEC. Preventative maintenance will avoid significant inconvenience and loss of water to area businesses.

Current Update: Due to ongoing global supply chain issues, or at least that's the excuse being offered by the contractor, the main component of the project (the generator itself) is now not expected to be ready for delivery until late 2022. Since the price is locked in, and this project is mainly a system resiliency project, the delay is of little actual consequence. In fact, the delay may end up being more efficient for the system's operations anyway, as the system demand is exponentially lower in the winter-time, which makes taking Well #6 offline for a period of time to connect the new generator more palatable in the winter.

Lift Station #3 Upgrade

Lift Station No. 3 was built in approximately 1981 and is located underneath Highway 395. The pump and electrical systems need to be replaced. This project calls for the install of duplex pumps and upgraded electrical and control systems. It also will include evaluation of extending a gravity line to Lift Station No. 6, which is also in poor shape. Extending the line under Union Pacific Railroad tracks may be more cost effective than replacing both lift stations. Traffic control will be necessary during design phase

Current Update: *The Contractor provided their final change-order amount to push through the buried rail car. Work is now expected to resume in early September.*

Geer & Harper Re-alignment

This intersection needs to be reconstructed to improve traffic/pedestrian access and ensure connectivity to property east of N. 1st Place. The current configuration makes access difficult for large trucks and traffic backs up on Harper Road during busy times during the day.

Current Update: No change in the status of this project. Still waiting for additional right-of-way acquisition.

North 1st Place Reconstruction

North 1st Place is a critical secondary north/south arterial in Hermiston's transportation system. The existing road is cracking, there are no sidewalks and there is unrestricted access to the roadway from parking and undeveloped areas.

Current Update: *Bids were advertised to pave portions of NW 3rd in order to serve as a detour route during the main work on N 1st Place. Paving of NW 3rd will take place this Fall. It is still anticipated that bidding for the main project will take place in October/November, with construction expected early Spring '23.*

FY2021-2022 Monthly Financial Report

Section 10, Item C.

City of Hermiston, Oregon Utilities/Streets Capital Projects Report For the Month Ending June 30, 2022

	2021-2022 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Well #6 B/U Generator	\$ 320,000	\$ 36,154	\$ 320,000	\$ 41,929	13.10%
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Geer & Harper Re-alignment	\$ 125,000	\$ 5,887	\$ 125,000	\$ 11,062	8.85%
N. 1st Place Reconstruction	\$ 100,000	\$ 69,000	\$ 100,000	\$ 82,000	82.00%
N. 1st Place Water Line Replacement	\$ 100,000	\$ 26,008	\$ 100,000	\$ 26,008	26.01%
Gladys & Main Waterline Replacement	\$ 100,000	\$ -	\$ 100,000	\$ -	0.00%
Lift Station #6 Reconstruction	\$ 450,000	\$ 28,088	\$ 450,000	\$ 31,588	7.02%
McDonald's & 395 Sewer Main Replacement	\$ 330,000	\$ 19,500	\$ 330,000	\$ 22,000	6.67%
Total	\$ 2,075,000	\$ 510,736	\$ 2,075,000	\$ 573,661	27.65%

North 1st Place Water Line Replacement

This project will eliminate failing, deteriorating lines which will minimize future repair work. It will also eliminate steel pipes from the 1920's and will improve public safety by ensuring no lead pipes.

Current Update: *Design work continues in conjunction with the N 1st Place Roadway Project.*

Gladys & Main Waterline Replacement

Sections of this water distribution system were installed in the 1920s with steel pipe – some of the oldest pipe in the city water system. This project will eliminate failing, deteriorating and undersized line, reduce repair work, and improve public safety.

Current Update: Nothing to report this month.

Lift Station #6 Reconstruction

Lift station #6 was built in 1981. The submersible duplex pump station has experienced corrosion of both metal and brick. Replacement of the wetwell will increase capacity, eliminate porous brick, and safeguard the environment. Ventilation of the structure is inadequate and electrical systems are nearing the end of their useful life.

Current Update: Bids were opened April 19. The pre-construction meeting was held with the contractor, and due to lead times for critical components, the construction is anticipated to occur in the Fall; wrapping up before the close of the paving-window.

McDonald's & 395 Sewer Main Replacement

Segments of this piping have been found to have structural failures in multiple locations and failing joints. These line failures cause pipe blockage and requires monthly cleaning. In addition, pipe failures may be allowing sewage to exfiltrate the surrounding soil. A new sewer line would eliminate current monthly maintenance costs and provide watertight lines to protect existing groundwater resources from contamination.

Current Update: *Work continues to secure the necessary easement through the property owner's attorney, George Anderson.*

FY2021-22 Monthly Financial Report

City of Hermiston, Oregon

Other City Capital Projects Report

For the Month Ending June 30, 2022

	2021-2022 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Airport Apron Rehab	\$ 2,355,000	\$ 550,167	\$ 2,355,000	\$ 814,982	34.61%
Riverfront Park Rebuild	\$ 390,000	\$ 193,426	\$ 510,000	\$ 323,300	63.39%
New City Hall Construction	\$ 7,348,498	\$ 6,837,080	\$ 8,690,000	\$ 8,127,560	93.53%
Total	\$ 10,093,498	\$ 7,580,673	\$ 11,555,000	\$ 9,265,842	80.19%

Airport Apron Rehab

This project will demolish and rebuild all of the remaining aircraft parking and movement areas at the airport, which are used for accessing public facilities. The scope of the project does NOT include rebuilding taxiways to individual hangars. This project is necessary to rehabilitate parking areas which have been deemed "Very Poor" or "Failing" by the Oregon Department of Aviation. In addition to serving small aircraft, and a surprising amount of corporate jet traffic, this aircraft parking area facilitates loading/unloading of air-cargo operators that currently service up to 12 UPS truckloads of freight each day.

Current Update:

Swaggart Brothers completed the project in early June, with punch-list items expected to be finished by June 30.

Riverfront Park Rebuild

This project encompassed the work done to clean up the Riverfront Park after the flood of the park in the spring of 2020. This project consisted of three distinct phases;

- Removing all debris from the existing parking lot and driveway (gravel repair) – **COMPLETED**
- Removing all debris, silt and vegetation from facilities in the park – **COMPLETED**
- Providing for relocating the playground and the parking lot and improvement of park facilities – **IN PROGRESS**

Current Update: Parks staff will be installing the playground equipment over the summer.

New City Hall

This project encompasses the demolition of the old City Hall; the demolition of the Lanham building (to the east) for additional parking for City Hall; the construction of a new City Hall and parking lot; the complete rebuild of the "Banner Bank" parking lot across 2nd street from City Hall to the west; and the replacement of water and sewer lines in the alley from 1st street to 3rd street.

Current Update: *Final details are being completed on the outside of the building. On the interior, lighting is being installed on all floors. In the basement, the lighting is functioning with motion sensors, etc. Within the next two weeks, the contractor hopes to start the HVAC system and get their flooring sub in to install flooring on floors 1 and 2. One of their big worries right now is a number of large (400amp) breakers that have been ordered for over a year but have yet to be manufactured or shipped. The design team is looking for options in case this item continues to slide because some of the large systems like elevators cannot be powered up without large breakers of this type.*