



# CITY COUNCIL & URBAN RENEWAL AGENCY

## AGENDA

MONDAY, APRIL 24, 2023

*Where Life is Sweet*

COUNCIL CHAMBERS - 180 NE 2ND ST.

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

*Zoom with Meeting ID: 862 2614 4112 Passcode: 203345 Telephone number to join is: 1 253  
215 8782; or submitting comments to [meetings@hermiston.or.us](mailto: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 Day of Prayer

**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.** Committee Vacancy Announcements

**B.** Minutes of the April 10th City Council Work Session and Regular Meeting

**7. ITEMS REMOVED FROM CONSENT AGENDA**

**8. PUBLIC HEARINGS**

**A.** Supplemental Budget #4 for the fiscal year of July 1, 2022 to June 30, 2023 (See Resolution No. 2267)

**9. ORDINANCES AND RESOLUTIONS**

**A.** Resolution No. 2267 to Supplement FY2023 Budget

**B.** Resolution No. 2268- Execute Franchise Agreement with Ziplly Fiber Pacific, LLC.

- C.** Resolution No. 2269 – Authorizing an Information Technology Services Agreement with Horizon Project, Inc.

**10. OTHER**

- A.** Review and Possible Approval of Project PATH Strategic Plan.
- B.** March 2023 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.** Council President's Report
- C.** Council Report
- D.** Youth Advisory Report
- E.** Manager's Report

**12. ADJOURN CITY COUNCIL MEETING AND CONVENE URBAN RENEWAL AGENCY MEETING**

**13. CALL TO ORDER**

**14. NEW BUSINESS**

- A.** Public Hearing- Supplemental Budget #2 for the fiscal year of July 1, 2022 to June 30, 2023 (See HURA Resolution No. 18)
- B.** Resolution No. 18 To Supplement FY2023 HURA Budget
- C.** An application for a façade grant has been submitted for property located at 205 S Hwy 395.

**15. ADJOURN URBAN RENEWAL AGENCY MEETING**

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

Please contact Hermiston City Hall, 180 NE 2nd Street, 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 DAY OF PRAYER

**WHEREAS**, Throughout history Americans have lifted up fervent prayers to God on behalf of our nation. From the first gatherings of our Founding Fathers, elected officials have prayed and entreated those they serve and represent to join them in prayer, including the authors of our Declaration of Independence, who wrote that they, “the Representatives of the United States of America, in General Congress, Assembled, appealing to the Supreme Judge of the world...” and carried on to our present day in Presidential Proclamations such as last year’s invitation to “join him in asking for God’s continued guidance, mercy, and protection.”, and

**WHEREAS**, A National Day of Prayer has not only been a part of our heritage since it was declared by the First Continental Congress in 1775, but it is a Public Law established in the United States Congress in 1952 approved by a Joint Resolution and amended by Congress and President Reagan with Public Law 100-307 in 1988, affirming that it is essential for us as a nation to pray and directing the President of the United States to set aside and proclaim the first Thursday of May annually as a National Day of Prayer; and

**WHEREAS**, In our state and across America the observance of the National Day of Prayer will be held on Thursday, May 4, 2023, with the theme, “Pray Fervently in Righteousness and Avail Much,” and

**WHEREAS**, Every first Thursday of May on the National Day of Prayer we not only express our faith and exercise our freedom in prayer but unite our hearts and voices in personal prayer and public gatherings throughout our state, counties, and cities and across America with fervent praise, repentance, love, and humble intercession for our neighbors and nation, knowing that God hears and avails much as He answers the faith-filled prayers of His people.

**NOW, THEREFORE**, I, Doug Primmer, Council President of Hermiston, Oregon do hereby proclaim May 4<sup>th</sup>, 2023 as Day of Prayer in our City and I commend this observance to all of our citizens.

SIGNED this 24<sup>th</sup> day of April, 2023

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Doug Primmer, Council President



# PUBLIC ANNOUNCEMENT

The City is accepting applications for the following Committees:

## 1) Eastern Oregon Trade & Event Center (EOTEC) Committee

- Position 3, Representing the Greater Hermiston Hospitality and Tourism Committee:
  - 3-year term ending June 30, 2026 (Advertised as of 04/11/2023)
- Position 4, Representing the Community At-Large:
  - 3-year term ending June 30, 2026 (Advertised as of 04/11/2023)

## 2) Faith-Based Advisory Committee

- Position 5: 3-year term ending December 31, 2025 (Advertised as of 11/02/2022)

## 3) Recreation Projects Fund Advisory Committee (Citizen at Large)

- Position 1: 3-year term ending December 31, 2025 (Advertised as of 11/02/2022)

## 4) Hispanic Advisory Committee

- Position 5: 3-year term ending June 30, 2025 (Advertised as of 04/19/2022)
- Positions 1 & 2: 3-year terms ending June 30, 2026 (Advertised as of 04/11/2023)

## 5) Library Board

- Position 3: remaining 4-year term ending June 30, 2025 (Vacant as of 04/05/2021)
- Position 5: 4-year term ending June 30, 2027 (Advertised as of 04/11/2023)

### **Deadline to apply for all Committees: Open Until Filled**

Interested persons are asked to submit an application to City Hall, 180 NE 2<sup>nd</sup> Street, Hermiston, or at [lalarcon-strong@hermiston.or.us](mailto: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.



*Where Life is Sweet*

# CITY COUNCIL

## Work Session Meeting Minutes April 10, 2023

Mayor Drotzmann called the regular meeting to order at 6:00pm. Present were Councilors Hardin, Primmer, Barron, Duron, Linton, and McCarthy. Councilors Peterson and Myers were excused. City staff in attendance included: City Manager Byron D. Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey (arrived 6:06), Chief Edmiston, Planning Director Clint Spencer, Finance Director Mark Krawczyk, Court Administrator Jillian Viles, Parks and Recreation Director Brandon Artz, and Assistant City Recorder Heather La Beau.

### **Budget Information & Explanations**

City Manager Smith presented information (attached) regarding the budget. A brief outline of the City's fund accounting and how it functions was given. Additional detail was shared regarding funding and organizational staffing of the Police Department. Three new officer positions are proposed. Possible funding options for the \$375,000 cost of three officers include cuts from the General Fund and/or generating revenue by adding fees. Councilors expressed concerns about the affect of increased taxes and fees on the citizens and the need to determine what services may be eliminated. The input of constituents will continue to be an important factor in the discussions.

City Manager Smith provided the historical relationship between the City and the Fire Department. The Power Point presentation is attached. Compression was explained in relation to the financial impacts to the City's budget from the formation of Umatilla County Fire District #1 (UCFD#1). Additional funding sources of UCFD#1 was discussed. The UCFD#1 Board meets publicly and those interested in additional information are welcome to attend.

### **Adjournment**

Mayor Drotzmann adjourned the work session meeting at 6:52pm and stated the Council will take a short break before starting the regular City Council meeting at 7:00pm.



# Hermiston Budget 101

April 10, 2023



# Outline

- Fund Accounting
- General Fund
- Police Department
- Potential Options
- Fire District Funding





# Funds

- Fund Accounting
  - **Emphasizes Accountability vs. Profitability**
- 21 Funds
  - **Some project focused (#37 City Hall Construction)**
  - **Some purpose focused (#13 Hermiston Energy Services)**



# Funds

- **Restricted Uses**
  - **HES – All electric revenues and costs are captured in this fund.**
  - **This isn't necessarily required but is the approach we have taken with all utilities.**
  - **HES pays a franchise fee to the City.**



# General Fund

- General Fund
  - \$16.7 million (\$7.1)
  - City Council
  - City Manager/Legal
  - Building Inspections
  - Parks
  - Recreation
  - Airport
  - Library
  - Buildings
  - Police - \$6.1 (36.5%)
  - Community Center
  - Finance
  - Harkenrider Center
  - Planning
  - Pool
  - Court



# Police Department

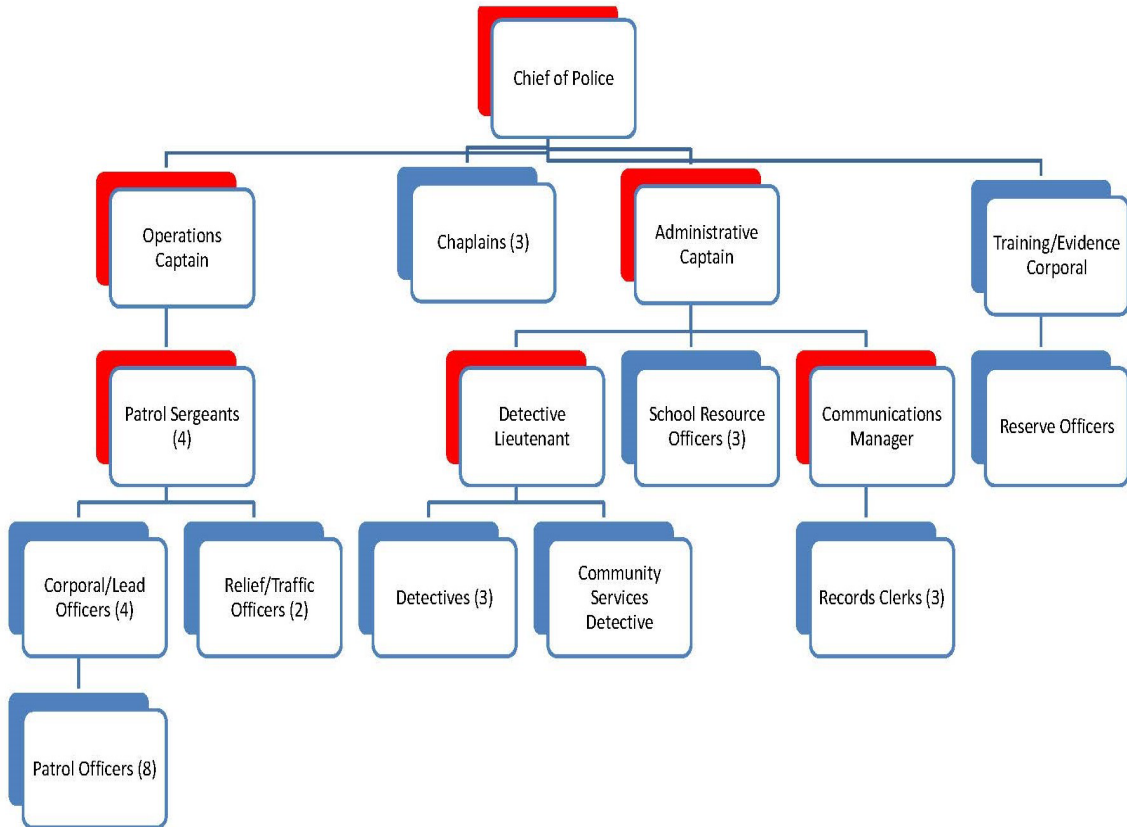
- 20 Officers in 2000 with 13,253 population
- 30 Officers in 2022 with 19,973 population
- About same % growth but this doesn't take into account two factors.
  - **Call volume**
  - **Minimum staffing**



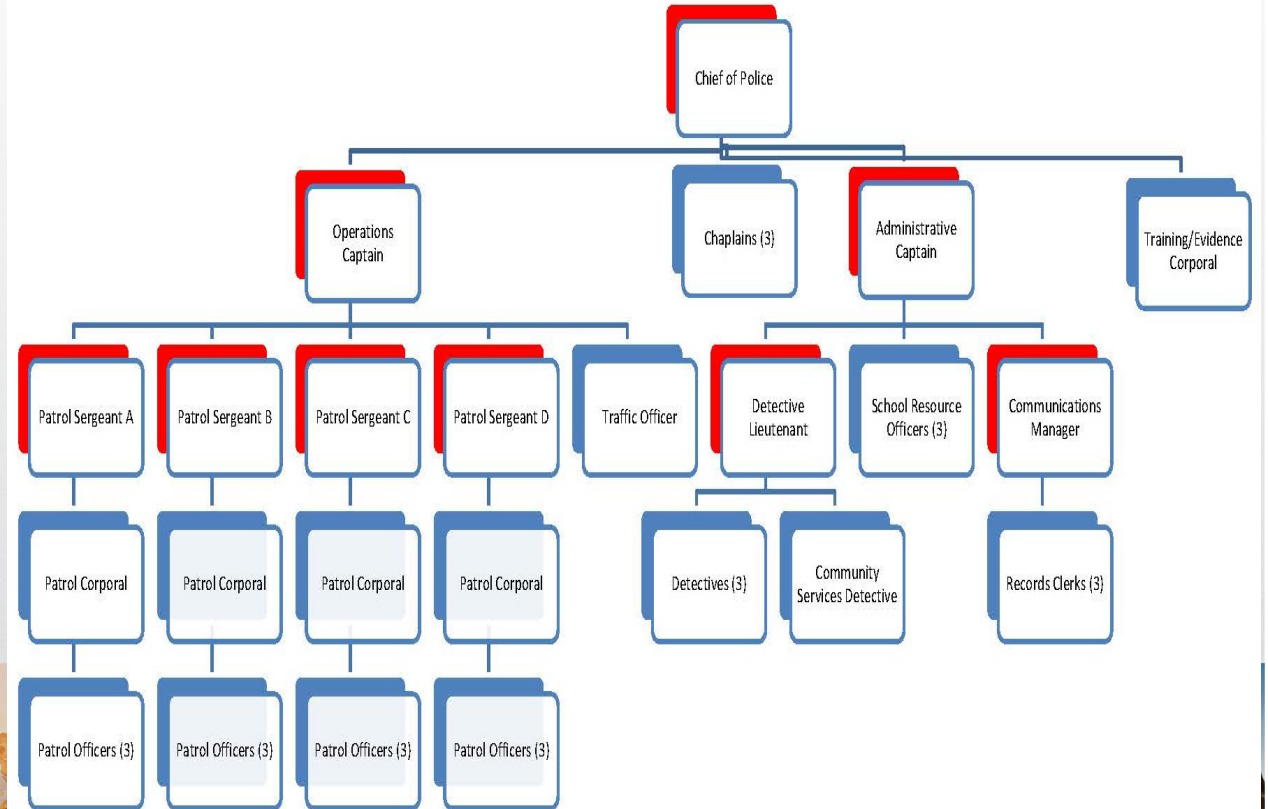


# Police Department

## Current Org Chart



## Proposed Org Chart



# Police Department

- What does this cost?
  - **\$125,000 Total Burden**
  - **\$375,000 for three officers**



# Possible Sources

- General Fund Cuts
  - **Library \$1,024,415**
  - **Parks and Recreation combined - \$1,606,140**
  - **Finance - \$654,929**
  - **City Manager/Legal - \$1,010,363**



# Possible Sources

- Public Safety/Parks and Recreation Fee
  - **6,000 accounts**
  - **\$5/month = \$360,000**
- Business License Fee
  - **~400 businesses**
  - **\$500/year = \$200,000**
- Water/Sewer Franchise Fee
  - **\$10,250,000 annual sales**
  - **4% = \$410,000**





# Fire District Finances

- 1998 - Initial Merger (City and Rural Hermiston)
- 2015 – Initial failed Stanfield/Hermiston Merger Election (\$2.00/thousand)
- 2016 – Successful Stanfield/Hermiston Merger Election(\$1.75/thousand)



# Fire District Finances

- Initial Compression Hit ~\$200,000
- Amazon Funds to date ~\$350,000 to UCFD#1: \$0 to City



# Fire District Finances

- Call Volumes (First Look)
  - **50% to 80% in Hermiston**
- Property Tax
  - **45% of District Revenue from Hermiston City taxpayers**





# CITY COUNCIL

## Regular Meeting Minutes April 10, 2023

Mayor Drotzmann called the regular meeting to order at 7:00pm. Present were Councilors Hardin, Primmer, Barron, Duron, Linton, and McCarthy. Councilors Peterson and Myers were excused. City staff in attendance included: City Manager Byron D. Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Chief Edmiston, Planning Director Clint Spencer, Finance Director Mark Krawczyk, Court Administrator Jillian Viles, Parks and Recreation Director Brandon Artz, and Assistant City Recorder Heather La Beau.

The pledge of allegiance was given.

### Citizen Input on Non-Agenda Items

Charlie Clupny 1225 NW Sjoren Lane- Mr. Clupny shared that the Hermiston Lion’s Club is working to bring a tactile map to the Funland Playground. The tactile map was created by consulting with Portland Community College’s Accessibility Wayfinding department. The map is 3 feet by 2 feet and includes international symbols and braille, and a vision map. The Lion’s Club has contributed \$5,000 to the project. Additional contributions are being sought. The total project is estimated to cost between \$20,000 to \$25,000.

Dave Hansen, 1767 W Alleluia Ave- Mr. Hansen thanked the staff and council for the enlightening budget presentation. As a member of the City’s budget committee, he has also volunteered to assist UCFD#1 with grant funding. He will involve the city with as many grants as possible to make happen the opportunities to work together.

Jennifer Roberts 1709 NE 6<sup>th</sup> Place- Ms. Roberts understood from the open forum there would be an oversight committee consisting of elected officials and public members as part of the PATH Project. She noted PATH meetings have been held and the members are the city managers, a county commissioner, and people from the project. While open to the public, the meetings are held at 9am on weekdays, which may make it difficult for the general population to attend. Ms. Roberts would like to know if something will be done to address having community members and elected officials join the committee.

Karen Primmer 1085 W Madrona Ave-This week is nationally recognized Telecommunicators Week. The dispatch center has activities planned, including a media interview Lt Roberts and his daughter, who is also a telecommunicator.

### Proclamation-Parkinson’s Disease Awareness Month

Mayor Drotzmann read the proclamation declaring April as Parkinson’s Disease Awareness Month into the record.

### Presentation- Hermiston School District Updates

Hermiston School District (HSD) Assistant Superintendent Jake Bacon dispensed contact cards (attached) that include the key contact information for each school building in the district as well as the contact information for district directors. Updates were given regarding HSD enrollment, 2023-24 HSD calendar, state assessment tests, Hermiston High School (HHS) annex construction, kindergarten registration, Highland Hills construction and impacts to pick-up and drop-off, FCCLA student achievements, Star Dust dance team performance honors, Jeff Kelso the district’s IT Director recognized for his work with the county fair, and Alex Boye presentation to middle school students.



# CITY COUNCIL

Regular Meeting Minutes  
April 10, 2023

**Presentation-Hermiston Chamber of Commerce Updates**

Chamber Executive Director, Val Hoxie gave updates concerning membership, adopt-a-street program, spring luncheon, Greg Smith luncheon, July summer mixer, developing new leadership program, Chamber board election and ribbon cuttings. Chamber and other community events are on the HermistonLive.com website as well as the Chamber, EOTEC, and City websites.

**Consent Agenda Items**

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

- A. Committee Vacancy Announcements
- B. Liquor License Application for “Change of Ownership” for Shiki Hibachi Sushi located at 1240 N 1<sup>st</sup> Street
- C. Minutes of the March 27<sup>th</sup> City Council and Urban Renewal Agency Regular Meeting

Motion carried unanimously.

**Ordinance No. 2346 Amending Title IX of the Hermiston Municipal Code**

The discussion is continued from the March 27 council meeting. City Manager Smith stated there are two chapters proposed for amending. The Chapter 92 amendment clarifies city staff may do maintenance and repair type work on streets and city parking lots during non-work hours when necessary. The other amendment adds a new chapter to the code that establishes conduct rules for city property and a process for enforcing the rules.

Council suggestions included inserting a QR code on the posted Rules of Conduct that links to the section of code pertaining to the specific rule, posting the Rules in multiple languages and electronic publication, and exercising caution when enforcing the rules with individuals.

Mayor Drotzmann requested that the first reading be by title only. Hearing no opposition, City Attorney Richard Tovey read the ordinance by title only. Mayor Drotzmann requested that the ordinance be put on for final adoption at this meeting and that the second reading be by title only. After City Attorney Richard Tovey read the ordinance by title only, Councilor Linton moved and Councilor Primmer seconded that Ordinance No. 2346 be adopted and become effective 30 days after adoption by the City Council. Motion carried unanimously.

**Resolution No. 2265- First Amendment to Intergovernmental Agreement with the City of Umatilla for Ongoing Information Technology Services**

City Manager Smith stated the City of Umatilla is requesting additional hours of IT service from the City’s IT department. This increase in service was anticipated and current staffing levels are adequate to accommodate the request. The Budget Committee will discuss in greater detail how to handle additional requests for increase in services.

After some discussion, Councilor Barron moved, and Councilor Hardin seconded to adopt Resolution No. 2265 and lay upon the record. Motion carried unanimously.



# CITY COUNCIL

## Regular Meeting Minutes April 10, 2023

### **Resolution No. 2266- Adopting an Adopt Your Street program with the Greater Hermiston Chamber of Commerce**

City Manager Smith gave information regarding the Adopt Your Street program. The focus will be on streets in commercial areas.

Councilors discussed cost of the program, responsibilities of both the Chamber and the City, and accountability of participants.

After some discussion, Councilor Barron moved, and Councilor Duron seconded to adopt Resolution No. 2266 and lay upon the record. Motion carried unanimously.

### **SE 2<sup>nd</sup> St Gateway Design**

Planning Director Spencer presented the design (attached) for the intersection of SE 2<sup>nd</sup> St and Hwy 395. The existing island will be removed. The southern driveway at the Community Center is being eliminated and the northern driveway will be moved farther north. There will no longer be access to Hwy 395 from SE 2<sup>nd</sup> St. The improvements include landscaping and signage. A public meeting was held with the adjacent property owners and the design received unanimous support with the request that any plantings do not interfere with the ability to see business signage. The project is expected to go out to bid at the end of the month.

### **3<sup>rd</sup> Quarter FY2023 Investment Report**

Finance Director Krawczyk presented additional information regarding the Investment Summary Report as outlined in the staff report. The presentation is attached.

After some discussion, Councilor Primmer moved, and Councilor Duron seconded to accept the 3<sup>rd</sup> Quarter FY2023 Investment Report as presented. Motion passed unanimously.

### **2023 Council Goal Setting Report**

City Manager Smith noted where in the staff report to find the prioritized council goals and the Goal Setting Report.

Councilor McCarthy moved, and Councilor Duron seconded to adopt the 2023 Council Goal Setting Report as presented. Motion passed unanimously.

### **Committee Reports**

Art-Councilor McCarthy spoke of his meeting with Councilor Peterson, Councilor Myers and City Manager Smith. The ad hoc committee is working with a consultant to determine potential artwork to be installed at various locations in City Hall. There is a desire to have a rotating youth art display somewhere within the building.

Faith Based Advisory Committee- Councilor Hardin stated there is a meeting tomorrow. Councilor Barron inquired if the committee or faith-based community would be able to share information on available meeting space for the Guatemalan community interested in a bigger space.



Where Life is Sweet

# CITY COUNCIL

Regular Meeting Minutes  
April 10, 2023

### Mayors Report

Mayor Drotzmann spoke regarding:

- League of Cities visit to the Capital in Washington DC
- Meeting with Senator Wyden regarding nitrate in water
- Meeting with Governor Kotek regarding homeless shelter funding
- City Managers & Mayors Meeting with Regional Solutions
- Carnegie Building plans and proposal of Hermiston Historical and Cultural Society

### Council Reports

Councilor Primmer acknowledged Dispatcher Week and thanked the first responders for their services. Also appreciated was Councilor Hardin attending the previous council meeting via telephone and Breah Rios' efforts to support law enforcement through dance performances. She continues this year with a focus on bringing awareness to domestic violence.

Councilor Duron thanked City Manager Smith for recognizing staff who reached important milestones with their years of service. She also thanked the staff members and shared the positive feedback she hears about staff's service. The effort Senator Merkley and Senator Wyden have put forth listening to concerns with water contamination and the Governor's effort working on homelessness reform is appreciated. Community Musical Unity Celebration is April 15. The event features speakers and music.

### Youth Advisory Report

Youth Advisors were not present.

### City Manager's Report

No report given.

### Adjournment

Mayor Drotzmann adjourned the City Council meeting at 8:58PM as there was no other City business.

SIGNED:

\_\_\_\_\_  
Dr. David Drotzmann, Mayor

ATTEST:

\_\_\_\_\_  
Heather La Beau, Assistant City Recorder



## Key Building Contacts

*Section 6, Item B.*

### **Hermiston High School**

Tom Spoo, Principal (541)667-6100  
Email: tom.spoo@hermistonSD.org

### **Sandstone Middle School**

Lori Browning, Principal (541)667-6300  
Email: lori.browning@hermistonSD.org

### **Highland Hills Elementary School**

Becky Bacon, Principal (541)667-6500  
Email: rebecca.bacon@hermistonSD.org

### **Rocky Heights Elementary School**

Stefani Wyant, Principal (541)667-6600  
Email: stefani.wyant@hermistonSD.org

### **West Park Elementary School**

Juan Rodriguez, Principal (541)667-6800  
Email: juan.rodriguez@hermistonSD.org

### **Armand Larvie Middle School**

Stacie Roberts, Principal (541)667-6200  
Email: stacie.roberts@hermistonSD.org

### **Desert View Elementary School**

David Melville, Principal (541)667-6900  
Email: david.melville@hermistonSD.org

### **Loma Vista Elementary School**

Josh Browning, Principal (541)667-6400  
Email: josh.browning@hermistonSD.org

### **Sunset Elementary School**

Erin Andreason, Principal (541)667-6700  
Email: erin.andreason@hermistonSD.org

### **Maintenance Office (541)667-6082**

Kyle Larson, Grounds/Maintenance Supervisor  
kyle.larson@hermistonSD.org





**Section 6, Item B.**

Usher  
ivities

D  
Email: larry.usher@hermistonsd.org

**Dr. Jerad Farley**

Director of Elementary Education  
Email: jerad.farley@hermistonsd.org

**Neely McKay**

Director of Special Programs  
Email: neely.mckay@hermistonsd.org

**Jeff Kelso**

Director of Technology  
Email: Jeffrey.kelso@hermistonsd.org

**Dr. Tricia Mooney**

Superintendent of Schools  
Email: tricia.mooney@hermistonsd.org

**Scott Depew**

Director of Secondary Education  
Email: scott.depew@hermistonsd.org

**Dan Greenough**

Director of Student Services  
Email: Daniel.greenough@hermistonsd.org

**Katie Saul**

Director of Business Services  
Email: katie.saul@hermistonsd.org

25

acon

Assistant Superintendent of Schools  
Email: jake.bacon@hermistonsd.org



# HERMISTON CITY COUNCIL

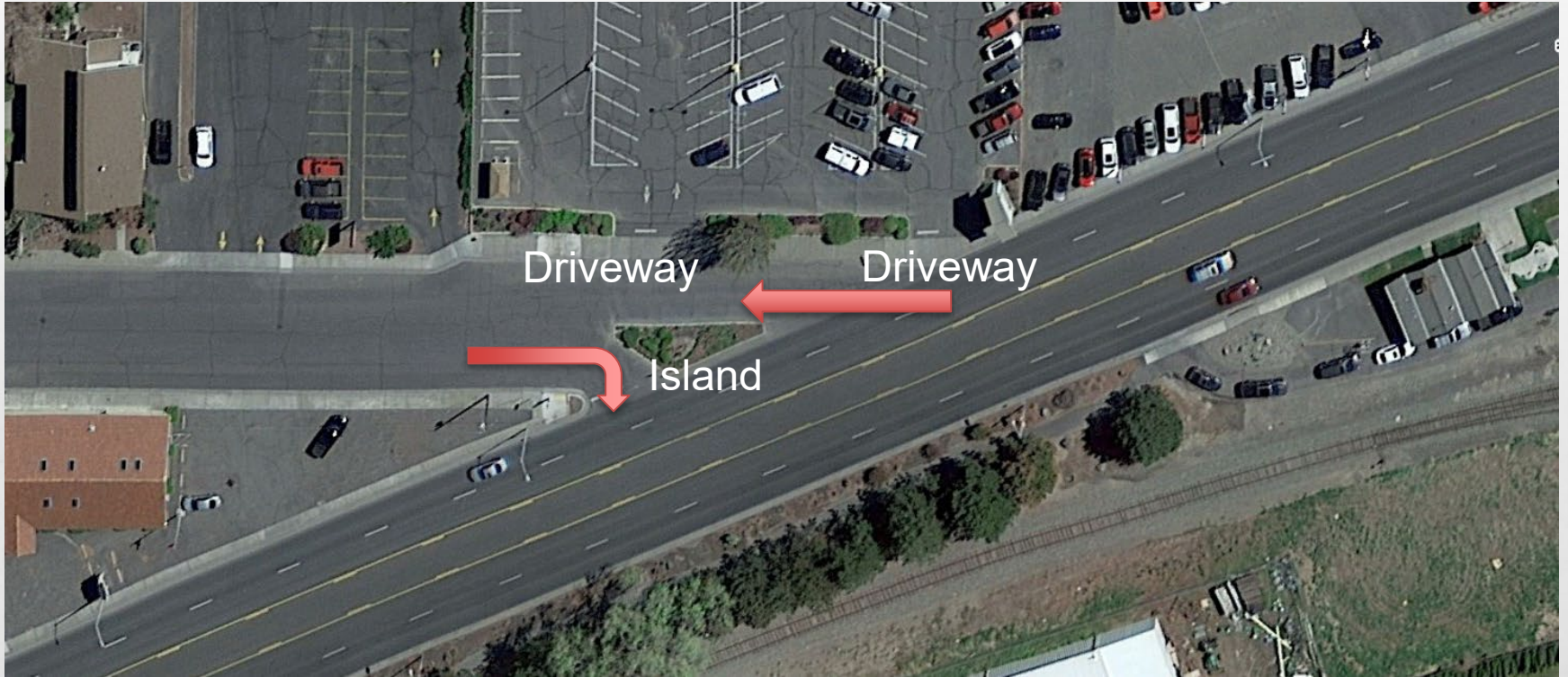


## SE 2<sup>nd</sup> St Realignment



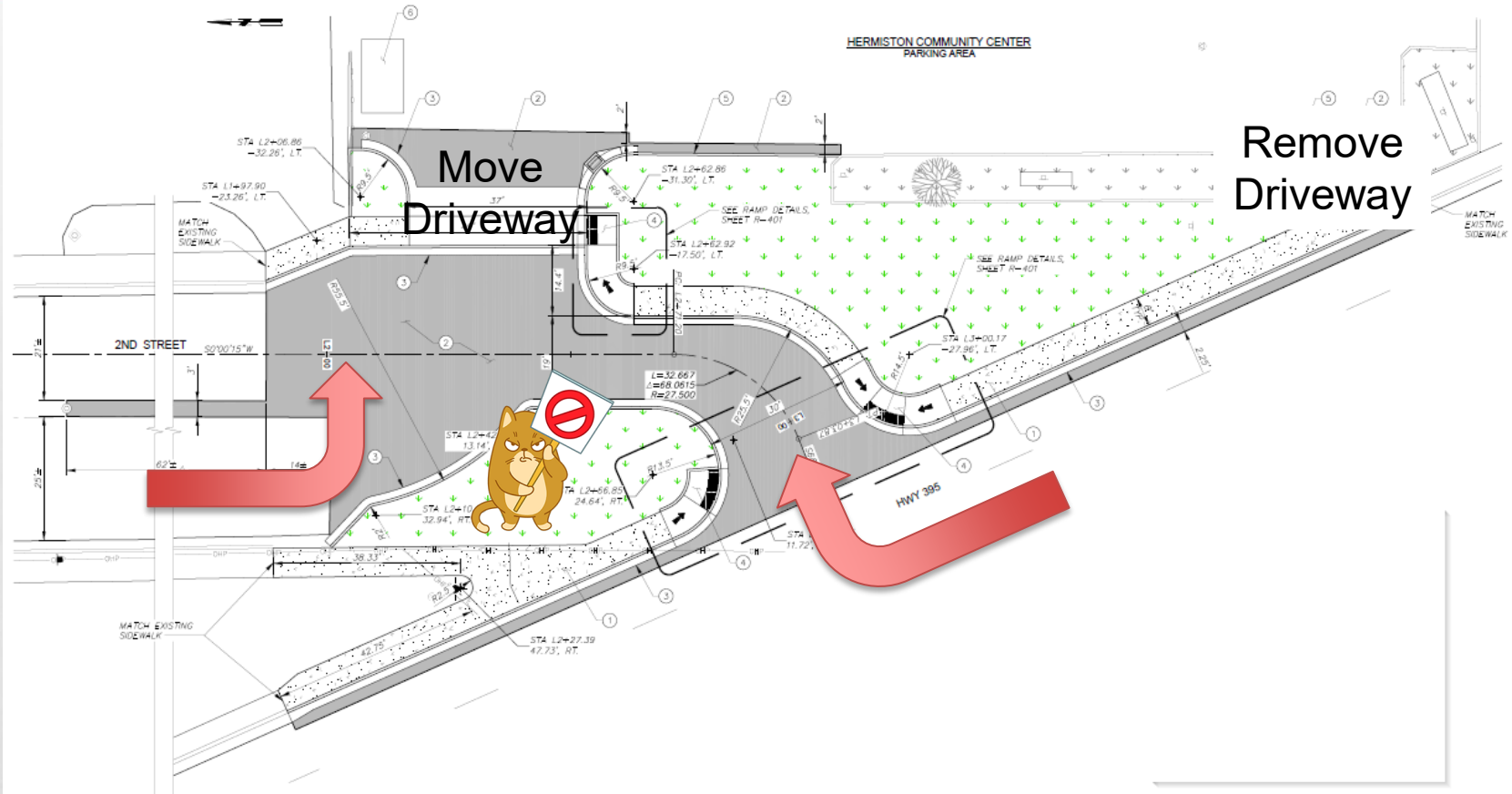


# Existing Alignment





# Proposed Alignment





# Existing Street View



© 2023 Google





# New Street Rendering



**HERMISTON SE 2ND STREET IMPROVEMENTS | VIEW 2**  
MARCH 27, 2023





# New Street Rendering



**HERMISTON SE 2ND STREET IMPROVEMENTS | VIEW 1**  
MARCH 27, 2023





# New Street Rendering



**HERMISTON SE 2ND STREET IMPROVEMENTS | VIEW 5**

MARCH 27, 2023







Where Life is Sweet

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of April 24, 2023

**Title/Subject**

Resolution No. 2267 to Supplement FY2023 Budget

**Summary and Background**

Resolution No. 2267 authorizes appropriations and expenditures in four funds as follows:

General Fund	\$657,000
Utility Fund	\$0
City Hall Construction Fund	\$965,100
Local Improvement District Fund	\$61,000

**Tie-In to Council Goals**

Fiscal Prudence

**Fiscal Information**

**03 GENERAL FUND**

Authorize an increase of \$12,000 in Interest on Investments due to additional interest revenue not budgeted/forecasted; Authorize an increase of \$12,000 in Pool Misc. Contractual for unbudgeted pool cleaning expense for Municipal Pool; Authorize a \$645,000 transfer of ARPA funds to City Hall Construction for unanticipated construction costs; Authorize an increase in Cash Forward for \$645,000 for the funds transfer.

Increase Cash Forward \$645,000; Increase Interest on Investments \$12,000; Increase Pool Misc. Contractual \$12,000; Increase Transfers Out \$645,000.

**06 UTILITY FUND**

Authorize an increase of \$15,000 for Recycled Water Bond Principal 2020 Utility due to incorrect principal budgeted payment; Authorize an increase of \$123,750 for Recycled Water Bond Interest 2020 Utility for an incorrect budget for interest payment due; Authorize an increase of \$123,750 for Water Bond Principal 2020 Utility for an incorrect budget for interest payment due; Authorize a decrease in Contingency for \$262,500.

Increase Recycled Water Bond Principal 2020 Utility \$15,000; Increase Recycled Water Bond Interest \$123,750; Increase Water Bond Interest 2020 Utility \$123,750. Decrease Contingency \$262,500.

**37 – CITY HALL CONSTRUCTION FUND**

Authorize a Transfer In of \$645,000 from the General Fund; Authorize a Transfer In of \$320,100 from HURA for the unbudgeted transfer of parking lot construction costs in HURA; Authorize an increase of \$965,100 for Capital Outlay - City Hall for unbudgeted cost increases for construction.

Increase Transfers In \$965,100; Increase Capital Outlay - City Hall \$965,100.

**38 – LOCAL IMPROVEMENT DISTRICT FUND**

**Alternatives and Recommendation**

Authorize an increase of \$61,000 in LID Assessments revenue not budgeted; Authorize an increase of \$60,300 in Principal Line of Credit for an unbudgeted expense for payoff of a Line-of-Credit loan; Authorize an increase of \$700 for an unbudgeted expense for the interest payment for the Line-of-Credit Loan.

Increase LID Assessments \$61,000; Increase Principal Line of Credit \$60,300; Increase Interest Line of Credit \$700.

Alternatives

- 1. Do not supplement the FY2023 Budget
- 2. Supplement the FY2023 Budget in the amount of \$1,683,100
- 3. Supplement the FY2023 Budget by a different amount

Recommended Action/Motion

Staff recommends Resolution No. 2267 be approved/adopted as presented.

Request a motion to adopt Resolution No. 2267

**Submitted By:**

Mark Krawczyk  
Director of Finance

**RESOLUTION NO. 2267**

WHEREAS, ORS 294.471 permits the governing body of a municipal corporation to adopt a supplemental budget for the fiscal year for which the regular budget has been prepared if an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning or creates a pressing necessity for prompt action; and

WHEREAS, the conditions requiring a change in financial planning are listed in Exhibit A attached to and made a part of this resolution.

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

1. That due to the conditions listed in Exhibit A that were not known at the time the budget was prepared, the total budget for the City of Hermiston for the fiscal period beginning July 1, 2022, is hereby supplemented in the amount of **\$1,683,100**. The amounts for the purposes shown below are hereby appropriated:

*Supplementing the Budget*  
**GENERAL FUND**

<b>Requirements:</b>	
Pool	12,000
Transfers Out	645,000
<b>Total Requirements:</b>	<b>657,000</b>

**UTILITY FUND**

<b>Requirements:</b>	
Recycled Water Department	138,750
Water Department	123,750
Contingency	(262,500)
<b>Total Requirements:</b>	-

**CITY HALL CONSTRUCTION FUND**

<b>Requirements:</b>	
Capital Outlay	965,100
<b>Total Requirements:</b>	<b>965,100</b>

**LOCAL IMPROVEMENT DISTRICT FUND**

<b>Requirements:</b>	
Debt Service	61,000
<b>Total Requirements:</b>	<b>61,000</b>

<b>Total Appropriations</b>	<b>1,683,100</b>
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2. This resolution shall become effective immediately upon its passage as of the date and year set out below.

PASSED by the Common Council this 24<sup>TH</sup> day of April, 2023.

SIGNED by the Mayor this 24<sup>th</sup> day of April, 2023.

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Doug Primmer, COUNCIL PRESIDENT

ATTEST:

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Lilly Alarcon-Strong, CMC, CITY RECORDER

EXHIBIT A

Fund No.	Description	2022-23 Adopted Budget	Budget Supp #1 Res 2232	Budget Supp #2 Res 2251	Budget Supp #3 Res 2262	Budget Supp #4 Res 2267	2022-23 Amended Budget
2	Bonded Debt Fund	634,018	-				634,018
3	General Fund	16,705,588	-	264,450	230,800	657,000	17,857,838
4	Street Fund	1,843,007	-	-	161,000	-	2,004,007
5	Transient Room Tax Fund	998,800	-	-	-	-	998,800
6	Utility Fund	11,806,391	-	-	-	-	11,806,391
7	Recreation Fund	-	-	-	-	-	-
8	Reserve Fund	15,468,683	-	6,499,400	905,000	-	22,873,083
10	Muni Court Fund	-	-	-	-	-	-
11	Misc Spec Rev Fund	141,000	-	-	-	-	141,000
12	Conference Ctr Fund	-	-	-	-	-	-
13	Energy Services Fund	12,495,134	-	-	-	-	12,495,134
15	Regional Water Fund	1,874,653	-	-	-	-	1,874,653
19	Christmas Express	35,000	-	-	-	-	35,000
20	Law Enforcement Fund	84,014	-	-	-	-	84,014
21	Library Fund	33,000	-	-	-	-	33,000
22	Revenue Bonded Debt	-	-	-	-	-	-
23	Enterprise Zone Project Fund	1,648,699	-	-	-	-	1,648,699
25	EOTEC Operations	627,793	-	328,523			956,316
26	IT Fund	-	670,800	135,200			806,000
32	Sr Center Const Fund	-	-	-	-	-	-
33	2016 FF&C- ELECTRIC	-	-	-	-	-	-
34	2017 FF&C - Sewer & Water	-	-	-	-	-	-
35	2017 FF&C - HURA	-	-	-	-	-	-
37	CITY HALL CONSTRUCTION FUND	877,836	-	-	-	965,100	1,842,936
38	LID Fund	-	-	-	-	61,000	61,000
	<b>Total</b>	<b>65,273,616</b>	<b>670,800</b>	<b>7,227,573</b>	<b>1,296,800</b>	<b>1,683,100</b>	<b>76,151,889</b>

03 GENERAL FUND	2022-23 Adopted Budget	Budget Supp #1 Res 2232	Budget Supp #2 Res 2251	Budget Supp #3 Res 2262	Budget Supp #4 Res	2022-23 Amended Budget
Taxes & Assessments	6,786,900	-	144,450	-	-	6,931,350
Licenses & Franchises	1,434,800	-	-	-	-	1,434,800
Fines & Penalties	400,000	-	-	-	-	400,000
Interest	15,000	-	-	35,000	12,000	62,000
From Other Agencies	3,012,500	-	-	175,500	-	3,188,000
Service Charges	1,904,000	-	-	20,300	-	1,924,300
Other	105,000	-	-	-	-	105,000
Transfers In	1,945,689	-	120,000	-	-	2,065,689
Cash Forward	1,101,699	-	-	-	645,000	1,746,699
<b>Total Resources</b>	<b>16,705,588</b>	-	<b>264,450</b>	<b>230,800</b>	<b>657,000</b>	<b>17,857,838</b>
City Council	67,027	-	100	-	-	67,127
Manager/Legal	1,010,363	-	21,150	-	-	1,031,513
City Planning	431,372	-	9,000	3,500	-	443,872
Finance	654,929	-	4,100	-	-	659,029
Court	833,378	-	2,400	-	-	835,778
Transportation	297,000	-	-	114,800	-	411,800
Airport	339,000	-	-	41,000	-	380,000
Building Inspection	600,157	-	3,100	-	-	603,257
Parks	731,981	-	3,100	-	-	735,081
Landscaping	66,861	-	200	-	-	67,061
Pool	585,615	-	1,700	-	12,000	599,315
Municipal Building	145,173	-	800	-	-	145,973
Library	1,024,415	-	4,100	-	-	1,028,515
Recreation	874,159	-	2,900	-	-	877,059
Community Center	256,122	-	700	-	-	256,822
Harkenrider Center	64,064	-	200	-	-	64,264
Public Safety Building	62,000	-	-	-	-	62,000
Police Operations	6,169,885	-	90,900	40,000	-	6,300,785
Transfers Out:						-
Bonded Debt Fund	208,819	-	-	-	-	208,819
Reserve Fund	450,000	-	-	-	-	450,000
LID Fund	-	-	-	-	-	-
Sr. Center Const Fund	-	-	-	-	-	-
IT fund		157,000	-	-	-	157,000
City Hall Construction					645,000	645,000
Capital Outlay	-	-	-	-	-	-
Non-Departmental	1,322,174	(157,000)	120,000	31,500	-	1,316,674
Debt Service	457,825	-	-	-	-	457,825
Contingency	53,269	-	-	-	-	53,269
Unappropriated Ending Fund Bal	-	-	-	-	-	-
Reserve for Future Expenditure	-	-	-	-	-	-
<b>Total Requirements</b>	<b>16,705,588</b>	-	<b>264,450</b>	<b>230,800</b>	<b>657,000</b>	<b>17,857,838</b>

	2022-23 Adopted Budget	Budget Supp #1 Res 2232	Budget Supp #2 Res 2251	Budget Supp #3 Res 2262	Budget Supp #4 Res	2022-23 Amended Budget
<b>06 UTILITY FUND</b>						
Taxes & Assessments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Service Charges	10,398,000	-	-	-	-	10,398,000
Transfers In	377,500	-	-	-	-	377,500
Cash Forward	1,030,891	-	-	-	-	1,030,891
<b>Total Resources</b>	<b>11,806,391</b>	-	-	-	-	<b>11,806,391</b>
Sewer	2,546,281	(29,000)	7,500	503,953	138,750	3,167,484
Water	2,266,372	(15,000)	5,200	-	123,750	2,380,322
Capital outlay	-	-	-	-	-	-
Transfers Out:						
Bonded Debt Fund	-	-	-	-	-	-
General Fund	585,585	-	-	-	-	585,585
Reserve Fund	2,142,000	-	388,140	-	-	2,530,140
IT Fund	-	44,000	-	-	-	44,000
Debt Service	2,109,850	-	-	-	-	2,109,850
Contingency	2,156,303	-	(400,840)	(503,953)	(262,500)	989,010
<b>Total Requirements</b>	<b>11,806,391</b>	-	-	-	-	<b>11,806,391</b>

	2022-23 Adopted Budget	Budget Supp #1 Res #	Budget Supp #2 Res	Budget Supp #3 Res 2262	Budget Supp #4 Res	2022-23 Amended Budget
<b>37 CITY HALL CONSTRUCTION FUND</b>						
Proceeds from Bonds	-	-	-	-	-	-
Transfers In	-	-	-	-	965,100	965,100
Cash Forward	877,836	-	-	-	-	877,836
<b>Total Resources</b>	<b>877,836</b>	-	-	-	<b>965,100</b>	<b>1,842,936</b>
Materials & Services	-	-	-	-	-	-
Capital Outlay	877,836	-	-	-	965,100	1,842,936
<b>Total Requirements</b>	<b>877,836</b>	-	-	-	<b>965,100</b>	<b>1,842,936</b>

	2022-23 Adopted Budget	Budget Supp #1 Res #	Budget Supp #2 Res	Budget Supp #3 Res 2262	Budget Supp #4 Res	2022-23 Amended Budget
<b>38 LID FUND</b>						
Proceeds from Loans	-	-	-	-	-	-
From Other Agencies	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	61,000	61,000
Non Revenue	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Cash Forward	-	-	-	-	-	-
<b>Total Resources</b>	-	-	-	-	<b>61,000</b>	<b>61,000</b>
Materials & Services	-	-	-	-	-	-
Transfers Out						
General Fund	-	-	-	-	-	-
Debt Service	-	-	-	-	61,000	61,000
Capital Outlay	-	-	-	-	-	-
<b>Total Requirements</b>	-	-	-	-	<b>61,000</b>	<b>61,000</b>
<b>Total Budget</b>	<b>65,273,616</b>	<b>670,800</b>	<b>7,227,573</b>	<b>1,296,800</b>	<b>1,683,100</b>	<b>76,151,889</b>
<b>Total Appropriations</b>	<b>65,273,616</b>	<b>670,800</b>	<b>7,227,573</b>	<b>1,296,800</b>	<b>1,683,100</b>	<b>76,151,889</b>



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of April 24, 2023

**Title/Subject**

Resolution No. 2268- Execute Franchise Agreement with Ziplly Fiber Pacific, LLC.

**Summary and Background**

The City maintains Franchise Agreements with many private utility providers for services such as power, gas, telecom, etc. These agreements allow those providers to utilize City-Owned rights of way to place their infrastructure in order to provide necessary services to community residents.

Ziplly Fiber is a competitive telecom company which is planning to install fiber optic cable throughout the community, coupled with some wireless transmitting in order to serve the entire community.

Although new to the Hermiston market, Ziplly is an established telecom company with operations in Oregon, Washington, Idaho, and Montana, and was established through the acquisition of Frontier Communications' Northwest operations in 2020.

**Tie-In to Council Goals**

Goal #19- Digital Infrastructure.

**Fiscal Information**

This resolution is anticipated to have relatively minimal short term fiscal impact. All franchises generate revenue for the City General Fund as a result of fees paid for the right to use the rights of way as a percentage of gross revenue of each franchisee. Since Ziplly is a new provider, it will take time to acquire market-share within the community, as it is entering a competitive environment currently occupied by providers such as CenturyLink, Charter, Eastern Oregon Telecom, etc. Since it is a competitive market, a new provider is unlikely to noticeably increase the total revenue paid from franchise fees by all providers so much as move the source of that revenue.

**Alternatives and Recommendation**

Alternatives



- 1. Approve resolution 2268
- 2. Reject resolution 2268

Recommended Action/Motion

Motion to approve Resolution 2268

**Submitted By:**

Mark Morgan

**FRANCHISE AGREEMENT**  
**HERMISTON, OREGON**

This Franchise Agreement is between the City of Hermiston, hereinafter referred to as “Grantor” and Zply Fiber Pacific, LLC DBA Zply Fiber, hereinafter referred to as “Grantee.”

**WHEREAS**, the Grantee has applied to the Grantor for a franchise as needed to own, operate, and maintain certain Equipment within the Streets and Public Ways of Grantor; and

**WHEREAS**, the Grantor finds that the Grantee has substantially complied with the requirements of Hermiston Municipal Code Chapter 115 to be awarded a Franchise; and

**WHEREAS**, Grantor and Grantee now wish to enter into this Franchise Agreement.

**NOW, THEREFORE**, Grantor and Grantee agree as follows:

**1. Definitions**

**1.1. Definitions.** For the purpose of this Franchise Agreement, the following terms, phrases, and words shall have the meaning set forth below. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word “shall” is mandatory and “may” is permissive. Words not defined herein shall be given their common and ordinary meaning.

- A. “Applicable Law” shall mean any provision of federal, state or local law, including without limitation statutes, regulations, ordinances and judicial or administrative orders, that is directly applicable to Grantee’s Equipment in the Streets, Grantee’s provision of Telecommunications Services in the Service Area, or any other action authorized or required to be undertaken by Grantee pursuant to the terms of this Franchise.
- B. “Carrier” shall mean any Person that has located, or that wishes to locate, facilities within the Streets for the purpose providing Telecommunications Service.
- C. “Effective Date” shall mean the date of Grantee’s acceptance of this Franchise as recorded on the signature page.
- D. “Equipment” shall mean any poles, wires, antennae, underground conduits, manholes, wireless transmitters and other conductors, fixtures, and facilities used by Grantee to provide Telecommunications Services in the Service Area.
- E. “FCC” shall mean the Federal Communications Commission and any successor governmental entity thereto.

- F. “Franchise” shall mean the non-exclusive rights granted by Grantor to Grantee to construct, operate, and maintain Equipment in and along the Streets for the purpose of providing Telecommunications Services.
- G. “Gross Revenue” shall mean, to the maximum extent allowed by Applicable Law, gross revenue received by Grantee for the provision of Telecommunications Services to Subscribers located in the Service Area regardless of the type of Equipment used to provide such services. “Gross Revenues” shall not be net of: (1) any operating expense; (2) any accrual, including, without limitation, any accrual for commissions; or (3) any other expenditure, regardless of whether such expense, accrual, or expenditure reflects a cash payment. “Gross Revenues” shall not include: (1) any taxes, fees or assessments collected by Grantee from Subscribers for pass-through to a government agency, including the Franchise fee set forth herein; (2) bad debt; (3) credits, refunds and deposits paid to Subscribers; and (4) any other exclusions available under Applicable Law.
- H. “OPUC” shall mean the Oregon Public Utilities Commission.
- J. “Person” shall mean an individual, partnership, association, organization, corporation, trust or governmental entity.
- K. “Service Area” shall mean the geographic boundaries of the Grantor, and shall include any additions thereto by annexation or other legal means.
- L. “Street” shall include each of the following: public streets, roadways, highways, bridges, land paths, boulevards, avenues, lanes, alleys, sidewalks, circles, drives, rights of way and similar public ways and extensions and additions thereto, including but not limited to rights-of-way dedicated for compatible uses now or hereafter held by the Grantor in the Service Area.
- M. “Subscriber” shall mean any Person lawfully receiving Telecommunication Service from Grantee within the Service Area.
- N. “Telecommunications” shall have the same meaning as ORS 759.005(7), or any successor thereto.
- O. “Telecommunications Service” shall mean the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

**2. Right to Use Streets**

- 2.1. **Grant of Franchise.** Grantor hereby authorizes Grantee to erect, construct, extend, operate and maintain in, upon, along, across, above, over and under the Streets, now in existence and as may be created or established, any Equipment.
- 2.2. **No Right of Attachment.** The Franchise conferred pursuant to Section 2.1 shall not give Grantee the right to attachment any Equipment to, or place any Equipment on, any

structures owned by Grantor, including without limitation any utility poles owned and operated by Hermiston Energy Services. Should Grantee wish to attach any Equipment to, or place any Equipment on, any structures owned by Grantor, then Grantee shall enter into an appropriate attachment or rental agreement with Grantor. Grantee expressly understands and agrees that it may be required to pay compensation to Grantor under such attachment or rental agreement in addition to the Franchise Fee required hereunder.

- 2.3. **Term.** This Franchise Agreement, and the Franchise granted hereunder, shall be for a term of five (5) years commencing on the Effective Date and shall thereafter automatically renew from year-to-year until either Party gives the other Party a written notice of termination at least one hundred and twenty (120) days prior to expiration of the initial term or subsequent annual term.
- 2.4. **Police Powers and Conflicts with Franchise.** In exercising its rights under this Franchise, Grantee agrees to comply with the terms of Hermiston Municipal Code Chapter 115 and all other provisions of Applicable Law. If any generally applicable ordinance provision adopted by Grantor, whether before or after the Effective Date, is in conflict with the express terms of this Franchise Agreement, this Franchise Agreement shall be controlling. This Franchise Agreement is a contract and, except as to those changes that are the result of Grantor's lawful exercise of its general police power, Grantor may not take any unilateral action that materially changes the explicit mutual promises in this Franchise Agreement. Except as expressly provided herein, any changes to this Franchise Agreement must be made in writing signed by both Parties.
- 2.5. **Franchise Required.** Grantor shall require all other Carriers to obtain and maintain a Franchise from Grantor on a non-discriminatory basis.

### 3. **Indemnification and Insurance**

- 3.1. **Indemnification.** Grantee shall indemnify and hold harmless Grantor, including its elected officials, managers, agents, and employees, from any and all third-party claims, demands, or judgments arising out of Grantee's construction, repair, extension, maintenance, operation or removal of its Equipment ("Claims"). Grantor shall give Grantee written notice of its obligation to indemnify Grantor within thirty (30) days of receipt of a Claim. In the event any such Claim arises, Grantor shall tender the defense thereof to Grantee and Grantee shall have the right to defend and settle or compromise such Claims. If a settlement or compromise imposes any obligations on the Grantor, Grantor must give prior written approval for such settlement or compromise. Grantor shall cooperate fully herein. If Grantor determines in good faith that its interests cannot be represented by Grantee, Grantee shall be excused from any obligation to represent Grantor. Notwithstanding the foregoing, Grantee shall not be obligated to indemnify Grantor for any damages, liability or claims resulting from the willful misconduct or negligence of Grantor.

3.2. **Insurance.**

A. Grantee shall maintain throughout the term of this Franchise Agreement insurance in amounts at least as follows:

Workers' Compensation	Statutory Limits
Commercial General Liability	\$1,000,000 per occurrence, Combined Single Limit (C.S.L.) \$2,000,000 General Aggregate
Auto Liability including coverage on all owned, non-owned hired autos	\$1,000,000 per occurrence C.S.L.
Umbrella Liability	\$1,000,000 per occurrence C.S.L.

B. Grantor shall be added as an additional insured, arising out of work performed by Grantee, to the above Commercial General Liability, Auto Liability and Umbrella Liability insurance coverage.

**4. Service Availability**

4.1. **New Development.** In cases of new construction or property development within the Service Area where electric facilities or the facilities of any other Carriers will be placed underground, Grantor agrees to notify Grantee of the development application.

4.2. **Annexation.** Grantor shall provide written notice to Grantee of its annexation of any territory that is being provided Telecommunications Services by Grantee. Such annexed area will be subject to the provisions of this Franchise. Grantee shall pay Grantor the Franchise fee on Gross Revenue received within the annexed territory commencing not later than ninety (90) days after Grantee's receipt of Grantor's written notice of annexation. Such notice shall include detailed and sufficient information for Grantee, at its discretion, to make any and all changes that may be necessary to comply with this Franchise Agreement.

**5. Construction and Technical Standards**

5.1. **Construction Standards and Requirements.** All of Grantee's Equipment in the Streets shall be designed, installed, located, erected, constructed, reconstructed, replaced, removed, repaired, maintained and operated by experienced and qualified personnel in accordance with the then current version of the National Electric Safety Code and good engineering practices.

- 5.2. **Safety.** With respect to any activity undertaken in or around the Streets, Grantee shall at all times employ reasonable care and shall use commonly accepted methods and devices to prevent failures or accidents that may cause injury or property damage.
- 5.3. **Construction Codes and Permits.** Grantee shall comply with all generally applicable permitting requirements before commencing any work, including the opening or disturbance of any Street within the Service Area. To the extent allowed by law, Grantor shall cooperate with Grantee in granting any permits required, providing such grant and subsequent construction by Grantee shall not unduly interfere with the use of such Streets. Grantee shall adhere to all building and zoning codes currently or hereafter applicable to the construction, operation or maintenance of Grantee's Equipment in the Service Area, provided that such codes are of general applicability and such codes are uniformly and consistently applied by Grantor to other Carriers.
- 5.4. **Restoration of Streets.** Grantee shall, at its own expense, restore any damage or disturbance caused to the Streets as a result of its operation, construction, or maintenance of its Equipment to a condition reasonably comparable to the condition of the Streets immediately prior to such damage or disturbance.

**6. Conditions on Street Occupancy**

- 6.1. **Underground Construction.** To the maximum extent feasible based on the type and purpose of the Equipment, Grantee shall install its Equipment underground where, at the time of Grantee's installation, any existing cable, Telecommunications or electric facilities are already located underground. In areas where cable, Telecommunications, and electric utility facilities are all installed aerially at the time Grantee installs its Equipment, Grantee also may install its Equipment aerially with the understanding that, at such time as Grantor places its own the existing aerial facilities underground, then Grantee shall likewise place its Equipment underground.
- 6.2. **Interference with Use of Streets.** Suitable barricades, flags, lights, flares or other devices shall be used at such times and places as are reasonably required for the safety of all members of the public. Any Equipment placed in any Street by Grantee shall be placed in such a manner as not to interfere with the usual travel on such Street.
- 6.3. **Removal in Emergency.** Whenever, in case of fire or other disaster, it becomes necessary in the judgment of Grantor to remove any of Grantee's Equipment from the Streets, no charge shall be made by Grantee against Grantor for restoration and repair, unless such acts amount to negligence by Grantor.
- 6.4. **Tree Trimming.** Grantee or its designee shall have the authority to trim trees on public property at its own expense as may be necessary for the installation, maintenance, protection and/or removal of its Equipment.
- 6.5. **Relocation for Grantor.** Grantee shall, upon receipt of reasonable advance written notice, to be not less than ninety (90) days, protect, support, temporarily disconnect, relocate, or remove any of its Equipment located in the Streets when lawfully requested by Grantor pursuant to its police powers. Grantee shall be responsible for any costs

associated with these obligations to the same extent all other users of the Streets are responsible for the costs related to the relocation of their Equipment.

- 6.6. **Relocation for Benefit of Third Party.** Grantee shall, on the request of any person holding a lawful permit issued by the Grantor, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the Streets, as applicable and if possible, any Grantee property, provided that the expense of such is paid by any the person requesting the relocation and Grantee is given reasonable advance written notice to prepare for such changes. Grantee may require such payment in advance. For purposes of this subsection, “reasonable advance written notice” shall be no less than forty-five (45) days in the event of a temporary relocation and no less than one hundred twenty (120) days for a permanent relocation.
- 6.8 **Reimbursement of Costs.** If funds are made available by Grantor to any Carrier for the purpose of defraying the cost of removing or relocating its facilities as required by Grantor or by the terms of its franchise, Grantor shall also offer funds to Grantee for such purposes on the same basis.

**7. Franchise Fee**

- 7.1. **Amount of Fee.** Grantee shall pay to the Grantor an annual fee in an amount equal to five percent (5%) of the annual Gross Revenue (“Franchise Fee”). Notwithstanding the forgoing, Grantor may, in its sole discretion and any time during the term of this Franchise Agreement, increase the Franchise Fee payable by Grantee hereunder provided that: (1) any such increased Franchise Fee shall be consistent with Applicable Law; and (2) any such increased Franchise Fee shall become effective not less than ninety (90) days after Grantor provides Grantee with written notice of the increase. The Franchise Fee paid pursuant to this Franchise Agreement shall be in addition to taxes of general applicability owed to Grantor by Grantee. Franchise Fees may be passed through by Grantee to its Subscribers as a line item on Subscriber bills to the extent allowed by Applicable Law.
- 7.2. **Payment of Franchise Fee.** Grantee shall pay the Franchise Fee on or before each April 30, July 31, October 31, and January 31 of the term of this Franchise Agreement. Each such quarterly payment shall be for the calendar quarter immediately preceding the payment date. Payments shall be transmitted by electronic funds transfer to a bank account designated by Grantor. Along with each quarterly payment, Grantee shall provide Grantor a written report setting forth in reasonable detail the basis for Grantee’s calculation of the payment.
- 7.3. **Accord and Satisfaction.** Grantor’s acceptance of any payment or partial payment from Grantee shall not be construed as a release of, or an accord and satisfaction with respect to, any claim Grantor may have for additional sums payable by Grantee under this Franchise Agreement.

7.4. **Limitation on Recovery.** If any Franchise Fee payment is not made on or before the dates specified herein, Grantee shall pay an interest charge computed from such due date at the annual rate equal to the lesser of one percent (1%) or the maximum rate allowed by law.

## 8. **Transfer of Franchise**

Grantee may not assign or transfer the Franchise granted hereunder without the prior written consent of the Grantor, which consent may not be unreasonably withheld or delayed. Notwithstanding the foregoing, no consent shall be required by Grantor in connection with an assignment or transfer by Grantee to an entity controlling, controlled by, or under common control with Grantee, or for any rights, title, or interest of Grantee in the Franchise or Equipment in order to secure indebtedness. Grantee shall reimburse Grantor for all costs reasonably incurred by Grantor to review and analyze any request made by Grantee for Grantor's consent to an assignment or transfer this Franchise. If such assignment or transfer is approved by the Oregon Public Utility Commission (OPUC), approval by the City will be automatic.

## 9. **Records**

9.1 **Inspection of Records.** Grantee shall permit duly authorized representatives of Grantor, upon advance notice, to examine during normal business hours and on a non-disruptive basis at Grantee's local office any and all of Grantee's records maintained by Grantee as is reasonably necessary to ensure Grantee's compliance with the terms of this Franchise Agreement. Such notice shall specifically reference the Sections of the Franchise Agreement under review so that the Grantee may organize the necessary records for easy access by the Grantor. The Grantee shall not be required by this Franchise Agreement to maintain any records longer than three (3) years; *provided however*, that Grantee's obligation to maintain records for not less than three (3) years shall survive the expiration, termination or revocation of this Franchise Agreement.

9.2 **Confidential Information.** To the extent allowed by Applicable Law, Grantor agrees to treat as confidential any information provided to it by Grantee that has been designated by Grantee as "Confidential Information." If Grantor determines that it is required by law to release any designated Confidential Information, it shall first advise Grantee in advance so that Grantee may take appropriate steps, at its own expense, to protect the confidentiality of its Confidential Information.

9.3 **Notice and Maps of Equipment.** Grantee shall notify Grantor in writing, consistent Section 11.2 below, within ten (10) days after Grantee installs new or moves existing Equipment in the Streets. Grantor shall notify Grantee in writing, consistent with Section 11.2 below, of any Grantor construction project that may interfere with Grantee's Equipment in the Streets. Not less than thirty (30) days following the Effective Date, Grantee shall provide Grantor a map showing in reasonable detail the location of Grantee's Equipment in the Streets. Grantee update such equipment location map on or before each January 31 during the term of this Franchise Agreement.



**10. Enforcement or Revocation**

- 10.1. **Notice of Violation.** If Grantor believes that Grantee has not complied with the terms of this Franchise Agreement, Grantor shall notify Grantee in writing of the exact nature of the alleged noncompliance (the “Violation Notice”).
- 10.2. **Grantee’s Right to Cure or Respond.** Grantee shall have thirty (30) days from receipt of the Violation Notice to cure such default. If such default cannot be cured within the thirty (30) day period, Grantee shall initiate reasonable steps within the thirty (30) day period to remedy such default and notify Grantor of the steps being taken and the projected date that they will be completed.
- 10.3. **Enforcement.** Subject to Applicable Law, if Grantor determines that Grantee is in default of any provision of the Franchise Agreement, Grantor may:
  - A. Seek specific performance of any provision that reasonably lends itself to such remedy.
  - B. Commence an action at law for monetary damages or seek other equitable relief.
  - C. Commence proceedings to terminate this Franchise Agreement and revoke the Franchise in accordance with subsection 10.4 below.
- 10.4. **Revocation.** Prior to termination of this Franchise Agreement and revocation of the Franchise, Grantor shall give written notice to Grantee of its intent to terminate and revoke. The notice shall set forth the exact nature of the noncompliance. Grantee shall have thirty (30) days from such notice to either object in writing and to state its reasons for such objection and provide any explanation or to cure the alleged noncompliance. If Grantor has not received a satisfactory response from Grantee, it may then seek to terminate this Franchise Agreement and revoke the Franchise at a public hearing. Grantee shall be given at least ten (10) days prior written notice of such public hearing. At the hearing, Grantor shall give Grantee an opportunity to state its position on the matter, after which it shall determine whether or not to terminate this Franchise Agreement and revoke the Franchise. Upon termination of this Franchise Agreement and revocation of the Franchise, Grantee shall remove all of its Equipment from the Street within ninety (90) days.
- 10.5. **Minor Violations.** The Parties hereby agree that it is not Grantor’s intention to subject Grantee to forfeitures or revocation of the Franchise Agreement for violations of the Franchise Agreement where the violation was a good faith error that resulted in no adverse impact on Grantor or Subscribers in the Service Area.

**11. Miscellaneous Provisions**

- 11.1. **Force Majeure.** Grantee shall not be in default of this Franchise Agreement where noncompliance was caused by circumstances beyond its reasonable control. This provision shall not apply to any obligation to pay money when due.

**11.2. Notices.** Unless otherwise provided by Applicable Law, all notices pursuant to this Franchise Agreement shall be in writing and shall be deemed to be sufficiently given upon delivery to a Person at the address set forth below, or by U.S. certified mail, return receipt requested, nationally or internationally recognized courier service such as Federal Express or electronic mail communication to the designated electronic mail address provided below. Grantee shall provide thirty (30) days' written notice of any changes in rates, programming services or Channel positions using any reasonable written means.

As set forth above, notice served upon the Grantor shall be delivered or sent to:

City of Hermiston  
180 NE 2<sup>nd</sup> Street  
Hermiston, OR 97838

Every notice served upon Grantee shall be delivered or sent by certified mail, return receipt requested to:

Jessica Epley  
VP – Regulatory and External Affairs  
135 Lake St. S, Ste. 155, Kirkland, WA 98033 (503) 431-0458  
[legal@ziplay.com](mailto:legal@ziplay.com)

**11.3. Severability.** If any provision of this Franchise Agreement is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Franchise Agreement.

**11.4. Entire Agreement.** This Franchise Agreement, together with Hermiston Municipal Code Chapter 115, sets forth the final agreement between the Parties with respect to the subject matter hereof. This Franchise Agreement supersedes all prior correspondence, representations and agreements between the Parties with regard to the subject matter hereof.

**11.5. Compliance with Applicable Law and Reservation of Rights.** Grantor and Grantee agree that they are subject to, and will comply with, all Applicable Laws in connection with this Franchise. In entering into this Franchise, neither Grantor's nor Grantee's present or future legal rights, positions, claims, assertions or arguments before any administrative agency or court of law are in any way prejudiced or waived. Grantor and Grantee expressly reserve any and all arguments it may have at law or equity to the legality or appropriateness of any provision in this Franchise.

Considered and approved this \_\_\_\_ day of \_\_\_\_\_, 2023.

City of Hermiston, Oregon

Signature: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Accepted this \_\_\_\_ day of \_\_\_\_\_, 2023, subject to Applicable Law.

By: Ziplly Fiber Pacific, LLC

Signature:



Name/Title: Associate General Counsel

**RESOLUTION NO. 2268**

**A RESOLUTION APPROVING THE EXECUTION OF A FRANCHISE AGREEMENT WITH ZIPLY FIBER PACIFIC, LLC.**

WHEREAS, Ziplly Fiber Pacific, LLC DBA Ziplly Fiber (“Grantee”) has applied for a telecommunications franchise for the construction, maintenance, and operation of a telecommunications system within the City of Hermiston; and

WHEREAS, Grantee has substantially complied with the Hermiston City Code to show that Grantee has the financial, legal, and technical ability to sufficiently provide services, facilities, and equipment necessary to meet the future communications related needs of the community; and

WHEREAS, the City and Grantee have negotiated a Franchise with terms agreeable to both parties; and

WHEREAS, the City and Grantee wish to execute and enter into a Franchise Agreement.

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

1. The foregoing recitals are approved and incorporated herein by this reference.
2. That the Franchise Agreement with Ziplly Fiber Pacific, LLC DBA Ziplly Fiber is accepted and approved.
3. That the City Manager is authorized to execute the Franchise Agreement on behalf of the City.
4. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 24th day of April 2023.

SIGNED by the Mayor this 24th day of April 2023.

\_\_\_\_\_  
Doug Primmer, COUNCIL PRESIDENT

ATTEST:

\_\_\_\_\_  
Lilly Alarcon-Strong, CMC, CITY RECORDER



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of April 24, 2023

**Title/Subject**

Resolution No. 2269 – Authorizing an Information Technology Services Agreement with Horizon Project, Inc.

**Summary and Background**

The City of Hermiston has been in the business of providing IT services to various local governments since July 1, 2022. Things have been going well and customers seem to be pleased. Up to this time all of our customers have been local governments of some type (Cities, Counties, Special Districts). Horizon Project, Inc. (HPI) is the first non-profit that has approached the City and requested services. HPI has been a partner of the City and other regional local governments for many years. Their main focus is on providing housing to the developmentally disabled community. They have also been a partner in some business development related grants.

HPI was also a customer of the Intermountain Educational Services District (IMESD) as all of our customers have been. They had already been in discussions with our IT department staff because prior to the IMESD’s notice to all non-school district customers of service cancellation. Our current staff is very familiar with their IT infrastructure and needs. This familiarity allows us to make this offer and be comfortable that we can meet their needs with our current staffing levels.

**Tie-In to Council Goals**

N/A

**Fiscal Information**

	<b>May 1, 2023</b>	<b>July 1, 2023</b>
<b>Monthly</b>	\$6,192	\$7,440
<b>Annually</b>	\$74,304	\$89,280
<b>Hours/Week</b>	12	14.5

This agreement and all future agreements include a 3% annual escalator clause to help keep ahead of inflation.

**Alternatives and Recommendation**

Alternatives

1. Adopt Resolution 2269
2. Amend Resolution 2269
3. Table Resolution 2269 and request more information.

Recommended Action/Motion

Motion to adopt Resolution 2269 as proposed.

**Submitted By:**

Byron D. Smith

**RESOLUTION NO. 2269**

**A RESOLUTION AUTHORIZING THE CITY OF HERMISTON TO ENTER INTO AN INFORMATION TECHNOLOGY SERVICES AGREEMENT WITH HORIZON PROJECT, INC AND TO AUTHORIZE THE CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS ON BEHALF OF THE CITY**

WHEREAS, the City of Hermiston (City) has established a full-service internal Information Technology (IT) department; and

WHEREAS, the City has the means to provide ongoing IT services to additional customers outside of the City; and

WHEREAS, the City and Horizon Project, Inc. have reached an agreement to provide ongoing IT services to the Horizon Project, Inc.; and

WHEREAS, Horizon Project, Inc. has signed the attached Agreement; and

WHEREAS, City staff believe it is in the best interest of the City to approve and execute the Agreement.

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

1. That the Information Technology Services Agreement attached to this resolution between the City of Hermiston and Horizon Project, Inc. to provide IT services is hereby approved.
2. That the City Manager is authorized to sign the Agreement.
3. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 24th day of April 2023.

SIGNED by the Mayor this 24th day of April 2023.

\_\_\_\_\_  
Doug Primmer, COUNCIL PRESIDENT

ATTEST:

\_\_\_\_\_  
Lilly Alarcon-Strong, CMC, CITY RECORDER

## INFORMATION TECHNOLOGY SERVICES AGREEMENT

This Information Technology Services Agreement (Agreement) is made by and between the City of Hermiston, hereinafter ("COH") and Horizon Project, Inc. hereinafter ("Customer") and collectively the ("Parties").

**The Parties mutually agree as follows:**

**Term of Agreement.** This Agreement shall be for a term of three+ years commencing on May 1, 2023 and expiring on June 30, 2026 with two optional three-year renewal options, unless terminated earlier as set forth herein. Renewal of the Agreement shall be in writing and subject to the mutual agreement of the Parties. At the conclusion of the original term or any subsequent renewal term, if the parties are not able to reach a mutual agreement on the terms and conditions for a renewal option, in their sole discretion, either party may terminate the Agreement upon ninety (90) days' written notice to the other without cause.

**Anniversary Date.** July 1 of each year after 2023 will be considered the anniversary date of the agreement.

**Scope of Work.** COH shall perform the work described in Attachment A, Statement of Work, which is attached to this Agreement and incorporated into this Agreement by this reference.

**Consideration.**

A. **Basic Services.** Customer agrees to pay COH \$6192.00 per month for approximately 12 hours of IT service per week beginning May 1, 2023. Customer further agrees to pay COH \$7440.00 per month for approximately 14.5 hours of IT service per week beginning July 1, 2023. The fees referred in this section of this Agreement shall increase by three (3)% per year on July 1 of each year in which this Agreement is in effect except 2023, such increase to be effective as of the anniversary date of this Agreement. Customer will pay for devices and any other materials required to perform the services under this Agreement. In the event that there is a future change in the need for basic services by Customer, then the parties may mutually agree to increase or reduce basic services with a commensurate increase or reduction in basic services compensation.

B. **Materials.** The cost of materials purchased by COH for Customer shall be reimbursed by Customer within thirty (30) days of receipt of invoice. COH agrees to notify Customer prior to purchasing anything over \$500 and to provide adequate documentation and invoice Customer for the cost.

**Payment for Work.** No payments shall be made until this Agreement is fully



executed by both Parties. Invoices shall be issued on a monthly basis beginning June 1, 2023. Unless otherwise specified in Attachment A, COH will submit invoices monthly for services rendered and Customer shall remit payment within 30 calendar days of receipt of invoice.

### STANDARD TERMS AND CONDITIONS

1. **Legal Relationship.** The Parties intend the legal relationship between the parties to be at all times and for all purposes under this Agreement that of independent contracting agencies. This Agreement does not constitute a partnership or joint venture.
2. **Subcontracts and Assignment.** Neither party shall subcontract or assign any part of the Agreement without the prior written approval of the other party. Any attempted assignment of this Agreement without the prior written approval of the other party shall be void. If consent to a subcontract is properly given, then in addition to any other provisions of this Agreement, the subcontracting party shall hold it subcontractor to all the terms and conditions of this Agreement that would otherwise bind the party to whom consent was given. The Parties agree that any such subcontracts shall have no binding effect on the consenting party to this Agreement.
3. **Termination.** This Agreement may be terminated as follows unless otherwise specified herein:
  - a. Mutual: The Parties may terminate this Agreement at any time by written Agreement. Customer shall pay COH for all materials purchased and work performed prior to the termination date.
  - b. Party's Sole Discretion: Either party, in its sole discretion, may terminate this Agreement for any reason on thirty (30) calendar days' written notice to the other party. Customer shall pay COH for all materials purchased and work performed prior to the termination date.
  - c. Breach: Either party may terminate this Agreement in the event of a breach by the other party. To be effective, the party seeking termination must give the other party written notice of the breach and its intent to terminate. If the breaching party does not entirely cure the breach within five (5) calendar days of the date of the notice, then the non-breaching party may terminate this Agreement at any time thereafter by giving a written notice of termination. Customer shall pay COH for all materials purchased and work performed prior to the termination date.
  - d. Termination by either party shall not constitute a waiver of any claim either party may legally assert against the other party.

4. **Access to Records.** Upon reasonable advance notice, each party shall have access to the books, documents and other records of the other party (electronic or otherwise) which are necessary for completion of this Agreement for the purpose of examination, copying and audit unless otherwise limited by law.
  
5. **Confidentiality.** No reports, information, and/or data prepared or assembled by the Parties under this Agreement shall be made available to any individual or organization by either party without the prior written approval of the other party unless required by state or federal law. If COH IT staff in their work is exposed to proprietary data particularly related to Economic Development/Business Recruitment efforts, they shall not disclose that to either party to this agreement.
  
6. **Compliance with Applicable Laws.** Parties shall comply with all federal, state, county and local laws, ordinances and regulations applicable to the work to be done under this Agreement, including all applicable State and local public contracting provisions.
  
7. **Insurance.** The Parties represent that they are insured according to the statutory limits set in the State of Oregon for any liability, property, or auto claims. The Parties represent that they will maintain insurance to cover any claim that may result from or arise out of this Agreement. COH is insured for workers' compensation as required by law and shall provide benefits as prescribed by the State of Oregon.
  
8. **Indemnity and Hold Harmless.** The Parties individually accept responsibility for liability arising out of their individual performance of this Agreement. Customer shall hold harmless, and indemnify COH from any and all liability, settlements, loss, costs and expenses in connection with any action, suit or claim resulting or allegedly resulting from the Customer's negligent acts, omissions, activities or services provided pursuant to this Agreement. COH shall hold harmless, and indemnify Customer from any and all liability, settlements, loss, costs and expenses in connection with any action, suit or claim resulting or allegedly resulting from COH's negligent acts, omissions, activities or services provided pursuant to this Agreement.
  
9. **Waiver, Severability.** Waiver of any default or breach under this Agreement by either party does not constitute a waiver of any subsequent default or a modification of any other provision(s) of this Agreement. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provision shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held invalid.

- 10. Remedies.** In case of Customer's breach, COH shall be entitled to receipt of payments for work performed and to any other available legal and equitable remedies. In case of COH's breach, Customer shall be entitled to a refund of any prepayments of any work not performed and to any other available legal and equitable remedies.
- 11. Dispute Resolution.** The Parties shall exert every effort to cooperatively resolve any disagreements they may have under this Agreement. In the event that the Parties alone are unable to resolve any conflict under this Agreement, they agree to present their disagreements to a mutually agreeable mediator for mediation. Each party shall bear its own costs for mediation and the parties shall share the cost of the mediator. This mediation procedure shall be followed to its conclusion prior to either party seeking relief from the court, except in the case of an emergency.
- 12. Attorney Fees.** The Parties agree if any suit or action at law, in equity, or through arbitration is filed to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney fees, costs, and disbursements in addition to any other relief to which that party may be entitled. If the prevailing party is represented by "in-house" counsel, it shall nevertheless be entitled to recover reasonable attorney fees based upon reasonable time, rates and charges generally accepted in the Morrow/Umatilla County, Oregon area for the type of legal services performed.
- 13. Notices/Point of Contact.** All notice or demands of any kind required or desired to be given by the Parties must be in writing and shall be deemed delivered upon in-person delivery or depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the respective party at its address listed below:
- City of Hermiston, Attn: City Manager  
180 NE 2<sup>nd</sup> Street  
Hermiston, OR 97838  
Email: bsmith@hermiston.or.us PH: (541) 667-5002
- Horizon Project, Inc. Attn: Terri H. Silvis, Ph.D.  
608 N. Russell St.  
Milton Freewater, OR 97862  
Email: terri.silvis@horizonprojectinc.org PH: (541) 938-5658
- 14. Governing Law.** The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon. Any legal action involving any question arising under this Agreement must be brought in Umatilla County Circuit Court. If the claim must be brought in a federal forum then it shall be brought and conducted in the United States District Court for the State of Oregon. PARTIES AGREE TO THE

JURISDICTION OF THESE COURTS.

- 15. Force Majeure.** Neither COH nor Customer shall be responsible for delay or default caused by any contingency beyond their control, including, but not limited to war or insurrection, strikes or lockouts by the Parties' own employees, walkouts by the Parties' own employees, fires, natural calamities, pandemic, riots or demands or requirements of governmental agencies other than COH.
- 16. Ownership of Work Product.** Any and all goods and services developed for Customer pursuant to this Agreement are intended as works made for hire. Works made for hire are the exclusive property of Customer.
- 17. Modification.** No waiver, consent, modification or change in the terms of this Agreement shall bind either party unless in writing signed by both Parties. A written waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.
- 18. Entire Agreement.** When signed by the authorized representatives of both parties, this Agreement and its attached exhibit(s) is their final and entire Agreement. This Agreement supersedes all prior and contemporaneous oral or written communications between the Parties, their agents, and representatives. There are no representations, promises, terms, conditions, or obligations other than those contained herein.

**I HAVE READ THIS AGREEMENT INCLUDING THE ATTACHMENT(S). I CERTIFY THAT I HAVE THE AUTHORITY TO SIGN AND ENTER INTO THIS AGREEMENT. I UNDERSTAND THIS AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.**

**CUSTOMER**

Signature: 

Title: CEO

Name (print): Teraci Silvis

Date: 4-6-2023

**CITY OF HERMISTON**

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Name (print): \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment A: Statement of Work**

12 assumed hours per week of service beginning May 1, 2023 and then 14.5 hours per week of service beginning July 1, 2023.

Current hourly billing rate: \$120 per hour.

**Managed Help Desk**

- Monitor, triage and remediate IT issues submitted by Customer staff
- Provide SLA agreement
- Ensure Help Desk solution is updated/patched and configured, adhering to best practices
- Train Customer staff on process for submitting help requests

**Managed Server and Infrastructure Support**

- Monitor servers and infrastructure
- Configure for optimal performance
- Maintain updates/patches for hardware and software
- Ensure compliancy for licensing/usage

**Managed Workstations/Laptops/Software**

- Windows OS patch management
- Maintain hardware/firmware updates
- Maintain updates for standard add-on software (i.e. Adobe Reader, Java, etc.)
- Remote management/support
- Installation and configuration of any new hardware such as servers, PCs, printers, peripherals, etc.
- Installation and configuration of any new software such as MS Office, version upgrades, etc.

**Active Directory**

- Audit current AD environment
- Remediate issues
- Configure for best practices
- Review group policy

**Expectations:**

To ensure COH's ability to provide satisfaction to Customer, the following provisions apply

as appropriate to services contracted with COH. COH is pleased to offer a complete package of IT support services for Customer. The IT support package is designed to handle all Customer's technology-related needs. All servers, workstations, and other network devices and Microsoft Operating Systems are considered covered items that will be maintained or serviced.

**What this service covers and includes:**

**Vendor Liaison:** COH will act as Customer's duly appointed representative and advocate. COH IT Team will diagnose problems and dispatch or contact third parties such as Internet service providers, hardware manufacturers, IT contractors, etc. when deemed necessary. The COH IT Team is not intended to replace third party/line-of-business applications support. Customer agrees to refrain from interacting with the third parties (except line-of-business application support) because it may result in misdirected activity and/or delay of resolution.

**Best Interest:** In the event of a failure or problem, remedial activities may commence prior to notifying Customer of the problem. This will allow the COH IT Team the ability to begin problem resolution, open trouble tickets with other vendors, or dispatch personnel with replacement parts when deemed necessary. In doing so, COH is acting in Customer's best interest to resolve the issue as quickly as possible. All efforts will be made to communicate any technology-related issues that arise to Customer as soon as possible.

**Administrative Access:** It is imperative that COH IT Team maintain and control administrative access to the Customer's network and be responsible for providing all other third parties with needed or requested access.

**Approval of Hardware and Software:** The COH IT Team will collaborate with Customer's appointed staff to procure hardware and software. COH's role will be to research, evaluate and recommend with final approval coming from Customer's designated IT liaison.

**Advisory Role:** To assist with proper planning and third-party services involving the network, telecommunications, data access, future growth or down-sizing, Customer will involve the COH IT Team in such discussions as an advisor.

**IT Policy and Procedure:** The COH IT Team will work with Customer's designated liaison to establish relevant IT policies and procedures based on best practices.

**Support Tiers:** The Help Desk will be the first point of contact for IT support requests and is considered Tier 1. Almost all support incidents begin in Tier 1, where the initial trouble ticket is created, the issue is identified and clearly documented, and basic hardware/software troubleshooting is initiated. Support incidents that cannot be resolved in Tier 1 immediately move to Tier 2 support. Generally, these are more complex support techniques on hardware/software issues that can be provided by more experienced support staff. Support incidents that cannot be resolved by Tier 2 support are escalated to Tier 3, where support is

provided by the most qualified and experienced support staff who can collaborate with third party (vendor) support engineers to resolve the most complex issues.

**Service Level Agreements (SLAs):**

SLA 1: Service not available (not able to work, network down, workstation not turning on, etc.) This is an instant contact scenario. Submitting Help Desk Ticket is not required and may not be available. Contact information will be provided to Customer staff. Response time is immediate as possible.

SLA 2: Significant degradation in services (obvious slow network, internet, etc., but still functional). Submitting Help Desk Ticket required if possible. Depending on resources, impacted Customer staff will be provided with contact information for COH IT Team and instructed on appropriate time for direct contact. COH IT Team response time is within two hours during normal business hours.

SLA 3: Limited degradation of service. This is impacting resources, but business process can continue. Submitting Help Desk Ticket required. COH IT Team response time is within four hours during normal business hours.

SLA 4: Slight service degradation. This is when an issue needs to be researched or resolved but is not having a significant impact on business process. Submitting Help Desk Ticket required. COH IT Team will respond within one business day.

SLA 5: After hours support will be available for critical widespread outages as needed by Customer staff.



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of April 24, 2023

**Title/Subject**

Review and Possible Approval of Project PATH Strategic Plan.

**Summary and Background**

Attached is a draft strategic plan for Project PATH as required by the state grant funding, Project PATH is receiving. Each of the partner entities are reviewing and giving feedback on the strategic plan during the month of April. We are on track to have this back for adoption in May and meet a June deadline.

The City of Umatilla has been the lead on drafting this plan in conjunction with Stepping Stones Alliance staff and board. The advisory committee has also had a good opportunity to review and comment on the draft prior to this current version.

**Tie-In to Council Goals**

**FOCUS AREA**

Housing: Increase senior and affordable housing, market rate rentals, and prevent people from becoming unhoused.

**Fiscal Information**

No current fiscal impact but possible future impacts.

**Alternatives and Recommendation**

Alternatives

1. Adopt Plan as presented.
2. Amend Plan and adopt as amended.
3. Direct Staff to edit report and bring it back.

**Recommended Action/Motion**



Motion to adopt Project PATH Strategic Plan as presented.

Section 10, Item A.

**Submitted By:** Byron Smith

# Project PATH

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## Practical Assistance through Transitional Housing

### 5-Year Strategic Plan

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Implementation	Page 16
<ul style="list-style-type: none"><li>• Identify funding to support the ongoing operations.</li><li>• Increasing or streamlining resources and services to people at risk of or experiencing homelessness within the participating cities and counties.</li><li>• Incorporating national best practices for ending homelessness.</li><li>• Eliminating racial disparities within homeless services within the service area.</li><li>• Creating pathways to permanent and supportive housing that is affordable to local populations experiencing or at risk of homelessness.</li></ul>	

## Introduction

In the summer of 2018 then Governor Kate Brown and Housing Policy Advisor James LaBar released a Housing Policy Agenda for Oregon addressing Housing Stability for Children, Veterans, and the Chronically Homeless. The Policy Agenda provides background information on families experiencing homelessness, the concern for growing homelessness in the Veterans community, the number of chronically homeless individuals, and a realization that homelessness is not just a problem in Oregon's big cities. It is here in rural eastern Oregon as well.

The Policy Agenda says the following about Rural Communities in Oregon:

Urban Oregonians are not the only people facing housing challenges. An analysis done by Oregon's Office of Economic Analysis (OEA) shows that rural housing affordability is a significant issue in Oregon. OEA found that the median household income in rural Oregon at \$41,098 is very similar to the median household income in the rural United States at \$42,174. However, while median household incomes are similar, the housing prices in rural Oregon are much higher than in the rural U.S. The median home value in rural Oregon is 30 percent higher than in the rural U.S. at \$151,500 compared to \$95,700, and median rents are 16 percent higher in rural Oregon than in the rural U.S. at \$580 compared to \$500.

Other themes heard throughout OHCS's outreach efforts for the Statewide Housing Plan were that the challenges related to housing stability and housing quality are present all across the state, not just in metropolitan areas, and that rural areas often face unique barriers to accessing resources due to limited capacity and infrastructure. The lack of building in rural communities has many causes, including but not limited to: lack of capacity of local governments to plan for and facilitate housing development; identifying buildable lands; local policies that disincentivize residential development; limited capacity or presence of local developers willing to work in rural communities; lack of construction labor/capacity to deliver the housing; and financial dynamics that make it difficult for rural housing developments to be viable.

Emerging law and case law (*Martin v City of Boise*) prompted the Oregon Legislature in 2021 to pass [House Bill 3115](#) which provides that local law regulating sitting, lying, sleeping, or keeping warm and dry outdoors on public property that is open to the public must be objectively reasonable as to time, place, and manner with regards to persons experiencing homelessness. In western Umatilla County a partnership has emerged bringing the cities of Hermiston, Umatilla, Echo, and Stanfield (HUES) together with Umatilla County to address these issues through Project PATH, a program designed to provide Practical Assistance through Transitional Housing (PATH). The intent is to bring together services to assist individuals and families facing homelessness with the objective to move them into and through transitional housing to permanent housing.

## Vision, Mission, and Values

Thanks to the Mid-Columbia Houseless Collaborative for the inspiration.

### **Vision:**

Project PATH envisions a region with equal opportunities and support, where everyone who needs stable housing can find and afford it – especially communities who have faced disproportionate barriers to housing – so everyone can achieve the best quality of life possible.

### **Mission:**

Through collaboration and advocacy, we work to reduce homelessness in western Umatilla County by expanding housing capacity and ensuring supportive services are provided in culturally affirming ways that uphold human dignity.

### **Values:**

*Compassion and humanity* are at the core of our work. As a collaborative, we recognize the hardships that homeless community members experience and the common humanity we all share, regardless of our housing status.

We value *collaboration and partnership*; working together helps us provide greater support to homeless and unstably housed community members.

*Advocacy* allows us to do more to support the vulnerable populations we serve when we champion strategic investments, projects, and policy changes.

We elevate *lived experience*. We cannot do this work without acknowledging the disproportionate barriers the housing crisis has created for communities of color and other traditionally marginalized populations. We cannot effectively advocate for solutions without lifting the voices of those who are or have been homeless.

We value *tenacity and perseverance*. Homelessness is a complex issue that cannot be solved overnight; we acknowledge that this work requires visionary leadership and resilience.

## Project Description

Project PATH brings together Umatilla County and the communities of Hermiston, Umatilla, Echo, and Stanfield (HUES) to address the issue of homelessness in west Umatilla County. It is envisioned to be a model program implemented to serve multiple communities that will, along with its contractor, provide a PATH from homelessness to transitional housing to permanent housing and along the way begin to address the myriad reasons that an individual or family may be experiencing homelessness that could include lack of work, mental health issues, or substance abuse issues. The Project PATH Advisory Committee members must also work to assure that various types of housing are available within their communities to not only support Project PATH but also provide a continuum of housing options to meet the requirements found in Oregon's statewide planning program under Goal 10 Housing.

To implement a significant part of Project PATH's Vision the Advisory Committee, through the City of Umatilla as the lead agency, will contract to provide a suite of services that will be available to participants within the HUES area. A major component of Project PATH is a facility on property owned by Umatilla County within the City of Umatilla to create a safe space for overnight or longer stays with support services available by referral or onsite. The Stepping Stones Alliance is the designated entity responsible for planning and delivering services for transitional housing and related support services to move an individual or family from homelessness to permanent housing. They are responsible for management of the Project PATH facility that includes a general building with offices, indoor common area(s), showers, and meal facilities; individual shelter units that can accommodate one to two people; and outdoor common areas securely fenced.

A continuum of services to support entry into transitional housing will be used to assist residents utilize various onsite and community services to move towards and into permanent housing. These types of services shall include the following:

- Provide 24 hour, 7-day a week, onsite staffing to support the project buildings that includes offices, residents' showers, a food pantry, and a community kitchen. This includes managing the individual shelter units that will sleep one to two members.
- Educational Services including, but not limited to, coordination with members to receive their high school diploma or GED, counseling services to connect members with local or other traditional educational service providers (BMCC, EOU, and others), and connecting members with employer education services (such as CDL training, unemployment counselors, or workforce partnerships).
- Access to basic level medical, dental, and vision services.
- Access to transportation services to facilitate travel to work, educational programs, or other support services associated with Project PATH or deemed necessary for the member's transition.
- Provision of, or connection to, services for persons with behavioral health conditions and/or substance use disorders.
- Care coordination and/or case management to support access to other needed services

that may include education, training, and onsite or offsite work.

Project PATH, through its contractor, will also provide Emergency Overnight Shelter for identified homeless individuals. A primary purpose of this program offering is to replace the Hermiston Warming Station through use of a dedicated area for these temporary facility users. They will have physically separate sleeping quarters but may have access to selected common and community areas (food pantry and showers as possible examples). Users of these services will need to comply with the entire facilities operational rules but will also have a subset of rules especially for them. This will also be the section of the facility used by law enforcement and emergency responders to house individuals who may be illegally camping in right-of-way, along designated trails, or in parks or have been treated at a local hospital or urgent care.

## Project PATH Advisory Committee, Primary Contractor, and Partners

A representative from Umatilla County along with the cities of Hermiston, Umatilla, Echo, and Stanfield comprise the Project PATH Advisory Committee. Working with the primary contractor, the Stepping Stones Alliance, the success of Project PATH will be achieved through partnerships and collaborative situations with other service providers to achieve multiple outcomes in moving clients through the program offerings with success achieved when the client finds permanent housing.

**Advisory Committee Members:**

- Umatilla County                      Dan Dorran, Commissioner
- City of Hermiston                      Byron Smith, Manager
- City of Umatilla                      Dave Stockdale, Manager
- City of Echo                      David Slaght, Administrator
- City of Stanfield                      Benjamin Burgener, Manager

**Primary Contractor: Stepping Stones Alliance**

- Jesalyn Cole, Executive Director
- Board Members
- Cathy Lloyd, Board Chair and President
- Michael Atkinson, Board Treasurer
- Chuck Barnes, Board Vice Chair
- Sandy Francis
- Brandy Medrano, Board Secretary
- Phil Spicerkuhn
- Roger Condie

**Project PATH Partners:**

Provided Service	Service Provider
Education	Blue Mountain Community College (BMCC) Hermiston High School (HHS)
Basic Medical, Dental, and Vision	
Transportation	Kayak (Service of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Umatilla Cab Umatilla County Public Transit
Behavioral Health/Substance Abuse Disorders	Community Counseling Solutions (CCS)
Care Coordination/Case Management	Oregon Department of Human Services (DHS) WorkSource



	Community Outreach Prevention Engagement Services (COPEs) Community Action Program of East Central Oregon (CAPECO)
<b>Value Added Services</b>	<b>Service Providers</b>
Services to Veteran's	Veteran's Service Office (VSO) Umatilla and Morrow Counties Supportive Services for Veterans Families (SSVF) within Blue Mountain Action Council (BMAC)
Transitional Housing for Parents	Martha's House
Fair Housing information and Enforcement	Fair Housing Council of Oregon
Transitional Housing Support Resources	Community Action Program of East Central Oregon (CAPECO)
Outreach and Referrals	Desert Rose Ministries
Domestic Violence Services	Domestic Violence Services (Hermiston)
Subsidized Permanent Housing	Umatilla Housing Authority
<b>Community Partner Services</b>	<b>Service Providers</b>
Law Enforcement support and response	Umatilla Police Department Hermiston Police Department Umatilla County Sheriff's Office
Faith Based Support	Hermiston Faith-Based Advisory Committee Church of Jesus Christ of Latter-Day Saints New Hope Faith Presbyterian Church
Hispanic Community Support	Hermiston Hispanic Advisory Committee
Civic Outreach	Rotary Kiwanis Altrusa Lions
Community and Business Sponsorship	Amazon Web Services Good Shepherd Community Health Foundation

## FUNDING

Project PATH will be initially funded primarily through the Oregon Department of Administrative Services with funds from [House Bill 4123](#) (2022). Future funding is anticipated to come from a variety of sources including funding from the Contractor, funds obtained through various granting opportunities, general fund sources of the partner agencies, and other funding sources identified to support the variety of services that will be offered. Once this initial funding is expended the Project Path Advisory Committee will need to identify ongoing funding sources and mechanisms to assure Project PATH's success. This could include actions outside of this Strategic Plan within each HUES community and Umatilla County to assure a variety of housing opportunities as envisioned under the statewide planning programs Goal 10. Working with the Umatilla County Housing Authority and local housing developers new housing projects should have available housing for individuals and families working through transitional housing to permanent housing solutions.

The Stepping Stones Alliance brought to the project funds secured through the American Recovery Plan, Amazon Web Services, Good Shepherd Community Foundation Grant, a Fair Housing Grant, a donation from the Church of Jesus Christ of Latter Day Saints, and individual donations. Ongoing funding will need to be planned for and obtained through grants, fundraisers, and work projects that can be developed. Projects throughout the country provide examples of funding opportunities through the creation of stores, service companies, and similar opportunities.

The Project PATH HUES communities, Umatilla County, and the Stepping Stones Alliance are all required to adopt annual budgets which will include funding for necessary annual activities or address how services of the Stepping Stones Alliance will be accomplished.

## Words and Phrases to Know

Thanks to the Mid-Columbia Houseless Collaborative for the inspiration.

**Affordable and Accessible Housing:** Housing that includes features that make it usable for people with disabilities or limited mobility and allows residents to spend no more than 30% of their income to live there.

**Area Median Income (AMI):** The household income for the “middle” household in a geographic region. Half of the families in a region earn more than the AMI, and half earn less. The U.S. Department of Housing and Urban Development calculates and defines the AMI for specific geographic areas across the county every year. Housing providers then use this number as a reference point when setting local income and affordability requirements for available housing units.

**Acquisition and Rehabilitation/Rehab:** The process of gaining ownership and management rights over a real estate property and renovating existing units rather than developing new units. Acquisition and rehab are valuable tools used by proponents of affordable housing and preservation.

**BIPOC:** An acronym that stands for “Black, Indigenous, and people of color.” This is a term used to describe communities of color, while centering the experience of Black and Indigenous people, who experience disproportionately high institutional barriers.

**Chronically Homeless:** Experiencing homelessness for at least a year, or repeatedly over time, while struggling with a disabling condition like a serious mental illness, substance use disorder, or physical disability.

**Coordinated Entry:** A process developed to ensure that all people experiencing a housing crisis have fair and equal access to resources and are quickly assessed for, referred, and connected to housing and other assistance based on their vulnerabilities and strengths.

**Culturally Responsive/Culturally Specific Services:** Being able to understand and consider the different cultural backgrounds of clients, and respecting clients’ customs, experiences, perspectives, and language when assisting them to access resources.

**Equity/Equitable:** While an Equal approach means giving everyone the same resources, an equitable approach acknowledges that each person has different circumstances, needs, and institutional barriers they have faced. Equity means allocating resources and opportunities in a way that creates equal outcomes.

**Equal Opportunity:** While equity creates equal outcomes equal opportunity requires treating people without discrimination particularly based on race, sex, age, or disability. It provides an equal playing field.

**Goal 10 Housing:** As one of 14 statewide planning goals, Goal 10 directs cities to allow a variety of housing locations, types, and densities. In the context of this Strategic Plan Goal 10 is defined as one mechanism that can be used to assure a supply of housing to meet a variety of needs, including housing in support of Project PATH and its stated objectives and priorities.

**Guest:** An individual who stays at the Emergency Overnight Shelter.

**Homeless/Homelessness:** Lacking a place to live.

**Houselessness:** An alternative to homelessness is houselessness because many people who are or have been unhoused prefer it. This is because “home” is more than a building where a person lives; it represents community, social connections, memories, friends, family, or more. People who lack a physical house often still identify strongly with a place they call home.

**Housing Stabilization:** The process of connecting to a wide range of individualized services – not just those that are directly related to housing – that help facilitate a person’s ability to find and/or stay in housing.

**HUES:** This refers to the municipalities of Hermiston, Umatilla, Echo, and Stanfield.

**Impact Fees:** Fees charged to property developers by local governments for the new infrastructure that must be built to accommodate new development.

**Individual Shelter Units (ISU):** A small one- to two-person unit designed to provide a secured sheltered area for sleeping and limited personal items.

**Jail Diversion:** Community-based services that are designed to keep individuals, especially those with behavioral health issues, from becoming incarcerated by connecting them to other community-based resources like mental health support, substance abuse services, employment services, and housing. Jail diversion aims to minimize the contact individuals have with law enforcement and help them avoid or reduce jail time.

**LGBTQ+:** An abbreviation for lesbian, gay, bisexual, transgender, queer or questioning, and more. These terms are used to describe a person’s sexual orientation or gender identity.

**Lived Experience (with homelessness):** Personal knowledge about homelessness that has been gained because of going through homelessness first-hand rather than through representations constructed by others.

**Medical Respite:** Medical respite care is short-term residential care for people experiencing homelessness who are too ill or frail to recover from an illness or injury on the streets, but not ill enough to be in a hospital. Medical respite care helps people rest and recover in a safe environment while accessing medical care and other supportive services.

**Member:** An individual who is participating in services provided through Project PATH and the Stepping Stones Alliance. They may also have an agreement to use an Individual Shelter Unit.

**Point in Time Count:** Also known as the PIT Count, this is the annual count of sheltered and unsheltered people experiencing homelessness across the United States during the last ten days of January.

**Preservation:** The process of retaining existing affordable housing, whether at subsidized or fair market costs, and protecting its affordability for current and future tenants.

**Rapid Re-Housing:** A type of housing assistance that quickly helps people experiencing homelessness to get into housing with the help of application fees, security deposit funding, time-limited rent assistance, incentives to encourage landlords to place clients in their units, and case management services.

**Reintegration After Incarceration:** The process a person goes through to re-enter society and become a productive member of the community after serving time in jail or prison.

**Services/Supportive Services:** Aid that makes it easier for someone to get into and stay in housing long-term by enhancing their overall way of living. Examples include help directly related to housing – such as rent assistance – or other resources, such as reliable transportation, affordable childcare, food assistance, training in budgeting and money management, health care, job training, mental health services, or substance abuse treatment.

**Supportive Housing:** The combination of ongoing affordable housing assistance, such as rent subsidies, with flexible and supportive services for people experiencing homelessness. The goal of supportive housing is to help people stay housed and live a more productive life in the community. There are multiple models of supportive housing: it could include the construction or renovation of new housing, setting aside units in privately-owned buildings, or leasing individual apartments throughout a specific geographic area where clients can receive services from supportive case managers.

**Traditional Health Workers:** Frontline public health workers who work in a health care clinic or community to assist individuals to achieve positive, health-related outcomes. Examples of traditional health workers include community health workers, personal health navigators, peer support specialists, and peer wellness specialists. Traditional health workers may have a particular specialty area or background, such as being a peer support specialist who uses their personal experience recovering from addiction to help a client struggling with a substance use disorder. Or they may promote health on a more holistic level by helping clients navigate multiple supportive services, including those that are not related to health care but contribute to overall well-being and stability.

## Strategic Plan

Thanks to the Mid-Columbia Houseless Collaborative for the inspiration.

To meet the Mission, Vision, and Values identified in this planning document the Project PATH Advisory Board has identified the following Goals and strategies.

### Goal Area 1: Shelter

Objective: Assure that shelter is available in west Umatilla County serving the HUES communities. Support the Stepping Stones Alliance in providing shelter services.

#### Strategic Priorities:

1. The Project PATH Advisory Committee will work to improve coordination with service providers.
2. Identify and prioritize funding for shelter, rehousing, and staff. This includes funding for the Stepping Stones Alliance and their work as a contractor to Project PATH.

### Goal Area 2: Services

Objective: Ensure the supportive services delivered in west Umatilla County meet client needs.

#### Strategic Priorities:

1. Increase accessibility of services with a focus on needs identified by clients.
2. Address gaps in services for the homeless and those at risk of homelessness.
3. Strengthen communication between service providers.
4. Invest in transportation networks to allow those seeking services to get to appointments, work, or other aspects of life's needs.
  - a. Coordinate transportation services to include various Kayak routes and revisions to routes, services provided by local cab or other similar operators, and invest in vehicles as appropriate and available.
  - b. Assure that future updates to the Umatilla County and HUES communities Transportation System Plans include transit and related components with reference to transportation needs related to the homeless and those at risk of homelessness.
  - c. Invest in the required transportation connections imposed by the land use decision for the Project PATH facility in the City of Umatilla which includes a connect to the proposed Umatilla River Trail system connecting the HUES communities.

### Goal Area 3: Housing

Objective: Preserve and expand affordable, accessible housing.

#### Strategic Priorities:

1. Increase the supply of housing units that low-income households can afford.
2. Use preservation, acquisition, and rehabilitation to protect the region's existing supply of affordable, accessible housing.
3. Prioritize access to affordable, accessible housing units for communities of color and other traditionally underserved populations.
4. Education elected officials, community leaders, and the public about why our region needs more affordable and accessible housing.
5. Assure that the participating communities have Comprehensive Plans with policies supportive of needed housing at a variety of price ranges and rent levels.

Goal Area 4: Advocacy

Objective: Advocate, engage the community, and build support for the region’s efforts to address homelessness.

Strategic Priorities:

- 1. Communicate to build awareness and support.
- 2. Use accurate data to inform people of the realities of homelessness and to address opposition to the Advisory Committee’s priorities.
- 3. Advocate for funding and policies that support the Advisory Committee’s strategic investments both in our individual communities and the HUES area collaboratively.

The Stepping Stones Alliance has identified that their work will focus on Connecting, Developing, and Supporting. These actions support the Goals, Objectives, and Strategic Priorities identified by the Project PATH Advisory Committee.

## Implementation

To meet the guidelines of the HB 4123 funding the following implementation requirements are to be included in this Strategic Plan. They are as follows:

1. Identify funding to support the ongoing operations.  
This is addressed earlier in the Strategic Plan under the heading Funding. Ongoing work will be required to assure the longevity of both Project PATH and the Stepping Stones Alliance.
2. Increasing or streamlining resources and services to people at risk of or experiencing homelessness within the participating cities and counties.  
Project PATH has identified several Goals, Objectives, and Strategic Priorities that work to assure resources and services are available to those at risk of or experiencing homelessness. While many services have been available within the HUES communities historically this is the first-time coordination of services is being done with the involvement of local cities and the county.

The Stepping Stones Alliance, the Project PATH selected contractor to implement and coordinate delivery of the services, has three components to the program that includes a sleep center, navigation center, and housing center. Individuals generally and most often would enter the program through the emergency overnight shelter which provides night to night shelter. Once established in the program, engagement would occur in the navigation center where needed services and access to resources are available to active members and delivered during all operational hours by staff, community partners, and volunteers. The housing center will initially offer 20 individual shelter units for participants engaged with navigation center resources.

3. Incorporating national best practices for ending homelessness.  
Homelessness continues to increase across the HUES Communities, the State of Oregon, and nationally. There are a number of programs and service providers that are doing exemplary work and seeing success in moving participants from homelessness into transitional housing and eventually into permanent housing. But providing that initial shelter is not enough. It requires a continuum of services to address a wide range of concerns and problems that the homeless may be facing that includes access to mental health services, transportation services, job training, and shelter. It also requires working to establish affordable and accessible housing for individuals and families seeking to make the transition. Or in some cases providing that bridge from the edge of the abyss to the promise of a home.
4. Eliminating racial disparities within homeless services within the service area.  
The Project PATH Advisory Committee members need to assure that services and materials offered by them, and any partners, are available in English and Spanish. Regionally work with potential partner agencies to assure that offered services are available without limitations based on racial or other potentially discriminating factors.

Several key Stepping Stone Alliance staff are multilingual. Publications and social media are being provided in English and Spanish. Operation of the Project PATH facility will be done as a low barrier shelter lowering or eliminating barriers to shelter and services.



- 5. Creating pathways to permanent and supportive housing that is affordable to local populations experiencing or at risk of homelessness.

Project PATH Advisory Committee communities will continue to work on housing opportunities as outlined in Oregon’s statewide planning program Goal 10 and the multitude of measures that are being created through legislation and policy work by the State of Oregon. Implementation of the Goals identified earlier in this Strategic Plan will also work to build a larger and more stable supply of affordable and accessible housing options.

Stepping Stones Alliance is partnering with CAPECO and the Umatilla County Housing Authority to create opportunities for permanent housing. Plans include development of larger transitional housing moving to permanent housing over time.



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of April 24, 2023

**Title/Subject**

March 2023 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

Recommend approval/acceptance of the March 2023 Financial Report as presented.

Request a motion to approve/accept the March 2023 Financial Report as presented.

**Submitted By:**

Mark Krawczyk

Director of Finance

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# March 2023 Financial Report

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Department of Finance  
March 2023  
(Unaudited)

# FY2022-2023 Monthly Financial Report

Section 10, Item B.

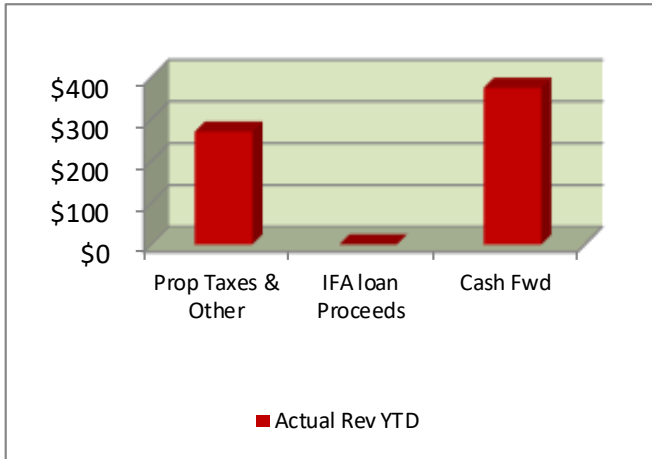
## Hermiston Urban Renewal Agency (HURA)

For the Month Ending March 31, 2023

### Resources

Through March 31, 2023

by Category



	Annual Proj Rev	Actual Rev YTD	% Var
Prop Taxes & Other	\$ 271	270	100%
IFA loan Proceeds	\$ 496	0	0%
Cash Fwd	\$ 375	375	0%
<b>Total</b>	<b>\$ 1,142</b>	<b>\$ 645</b>	<b>56%</b>

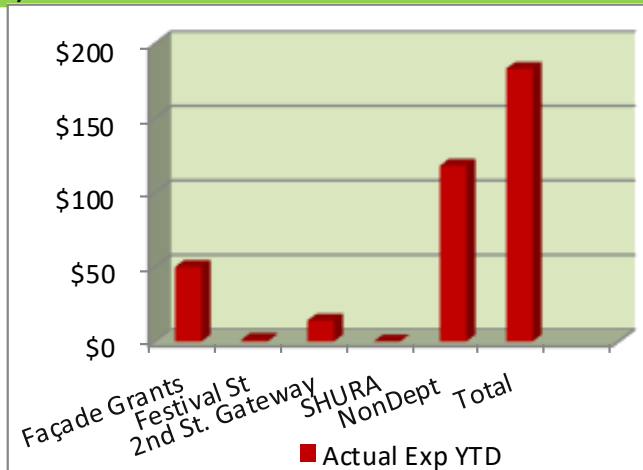
Note: Variance is calculated as % of revenue YTD

### Expenditures

Through March 31, 2023

by Character

(in \$1,000)



	Annual Proj Exp	Actual Exp YTD	% Var
Façade Grants	\$ 50	50	100%
Festival St	\$ 5	1	20%
2nd St. Gateway	\$ 400	14	4%
SHURA	\$ 496	0	0%
NonDept	\$ 191	118	62%
<b>Total</b>	<b>\$ 1,142</b>	<b>\$ 183</b>	<b>16%</b>

Note: variance is calculated as % of expenses YTD.

The FY2022-23 budget for the Urban Renewal Agency is \$ 1,141,662. This includes \$50,000 for Façade Grants, \$5,000 for the Festival Street, \$400,000 for construction of the 2<sup>nd</sup> Street Gateway project, \$496,000 for the beginning of the SHURA project, and \$190,662 for Non-Departmental expenses.

**Property tax revenues collection totaled \$5,942 in March**, bringing total revenue collected to date of \$270,259. You will also note the inclusion of the IFA loan proceeds for SHURA.

# FY2022-2023 Monthly Financial Report

Section 10, Item B.

City of Hermiston, Oregon

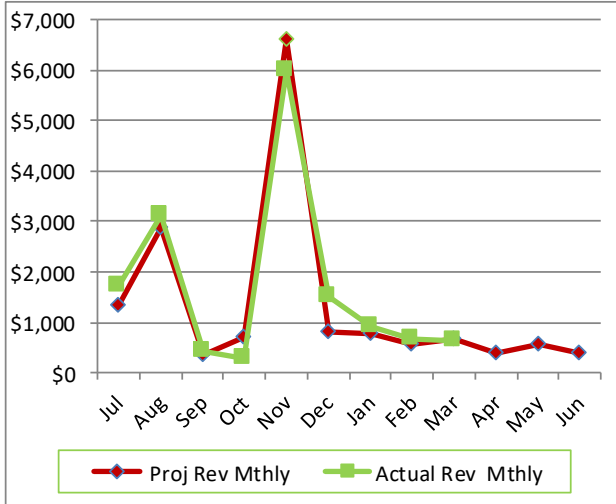
General Fund Resources

For the Month Ending March 31, 2023

## General Fund Resources Summary

Through March 31, 2023

(in \$1,000)



	Proj Rev Mthly	Rev Proj	Actual Rev Mthly	Var Fav/ (Unfav)	% Var
Jul	\$ 1,337	\$ 1,337	\$ 1,731	\$ 394	29%
Aug	\$ 2,869	\$ 2,869	\$ 3,133	\$ 264	9%
Sep	\$ 354	\$ 354	\$ 445	\$ 91	26%
Oct	\$ 704	\$ 704	\$ 295	\$ (408)	-58%
Nov	\$ 6,614	\$ 6,614	\$ 5,983	\$ (631)	-10%
Dec	\$ 814	\$ 814	\$ 1,526	\$ 711	87%
Jan	\$ 792	\$ 792	\$ 903	\$ 111	14%
Feb	\$ 577	\$ 577	\$ 670	\$ 92	16%
Mar	\$ 688	\$ 688	\$ 640	\$ (48)	-7%
Apr	\$ 391	\$ 391	\$ -	\$ -	0%
May	\$ 559	\$ 559	\$ -	\$ -	0%
Jun	\$ 399	\$ 399	\$ -	\$ -	0%
<b>Total YTD</b>	<b>16,100</b>	<b>16,100</b>	<b>15,325</b>	<b>576</b>	<b>3.6%</b>
Cash Fwd	1,102	-	-	-	0%
<b>Total</b>	<b>\$ 17,202</b>	<b>\$ 16,100</b>	<b>\$ 15,325</b>	<b>\$ 576</b>	<b>3.6%</b>

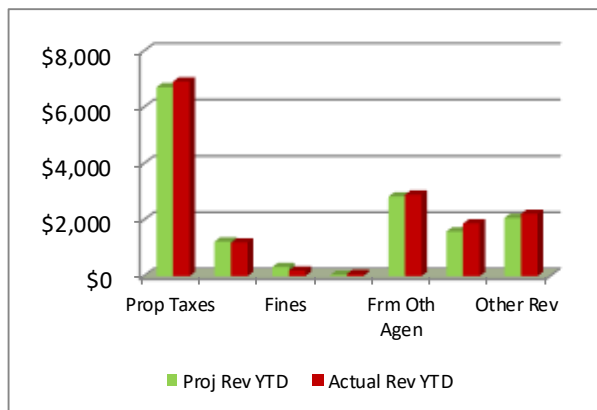
Estimated General Fund revenues for the 2022-23 fiscal year are **\$17,200,838**. Projected revenues for March were **\$688,273**, compared to actual revenues of **\$640,029**, a negative variance of **\$48,244**. The fund is currently **\$575,227** more than projected through March YTD.

## General Fund - All Resources by Category

Through March 31, 2023

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 6,928	\$ 6,706	\$ 6,908	\$ 202	3%
Lic & Fran	\$ 1,435	\$ 1,222	1,188	(35)	-3%
Fines	\$ 400	\$ 317	195	(122)	-38%
Interest Rev	\$ 50	\$ 40	73	34	84%
Frm Oth Agen	\$ 3,107	\$ 2,823	2,889	67	2%
Svc Chgs	\$ 2,008	\$ 1,580	1,865	285	18%
Other Rev	\$ 2,171	\$ 2,062	2,207	145	7%
Cash Fwd	\$ 1,102	\$ -	-	-	0%
<b>Total</b>	<b>\$17,201</b>	<b>\$ 14,750</b>	<b>\$ 15,325</b>	<b>\$ 575</b>	<b>3.9%</b>

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

# FY2022-2023 Monthly Financial Report

Section 10, Item B.

City of Hermiston, Oregon

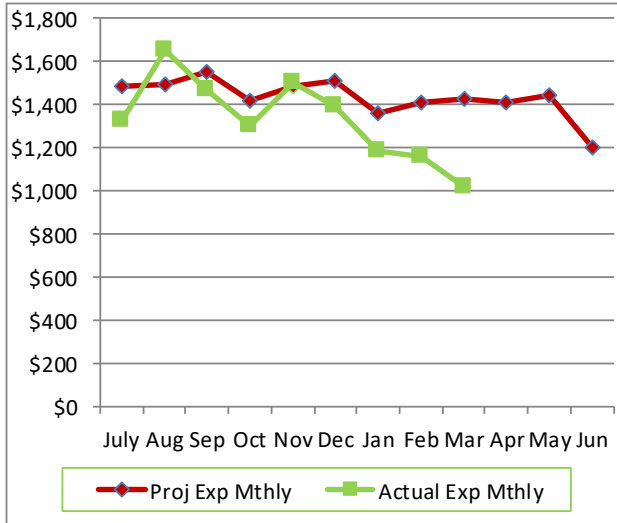
General Fund Expenditures

For the Month Ending March 31, 2023

## General Fund Expenditure Summary

Through March 31, 2023

(in \$1,000)



	Proj Exp Mthly	Proj Exp	Actual Exp Mthly	Var Fav/ (Unfav)	% Var
July	\$ 1,489	\$ 1,489	\$ 1,324	\$ 166	11%
Aug	\$ 1,493	\$ 1,493	\$ 1,653	\$ (160)	-11%
Sep	\$ 1,551	\$ 1,551	\$ 1,473	\$ 78	5%
Oct	\$ 1,416	\$ 1,416	\$ 1,304	\$ 113	8%
Nov	\$ 1,487	\$ 1,487	\$ 1,502	\$ (15)	-1%
Dec	\$ 1,509	\$ 1,509	\$ 1,397	\$ 112	7%
Jan	\$ 1,363	\$ 1,363	\$ 1,185	\$ 177	13%
Feb	\$ 1,411	\$ 1,411	\$ 1,160	\$ 251	18%
Mar	\$ 1,426	\$ 1,426	\$ 1,021	\$ 405	28%
Apr	\$ 1,406	\$ 1,406	\$ -	\$ -	0%
May	\$ 1,445	\$ 1,445	\$ -	\$ -	0%
Jun	\$ 1,205	\$ 1,205	\$ -	\$ -	0%
<b>Total YTD</b>	<b>17,201</b>	<b>17,201</b>	<b>12,020</b>	<b>1,125</b>	<b>6.5%</b>
Contngcy		-	-	-	0%
<b>Total</b>	<b>\$ 17,201</b>	<b>\$ 17,201</b>	<b>\$ 12,020</b>	<b>\$ 1,125</b>	<b>6.5%</b>

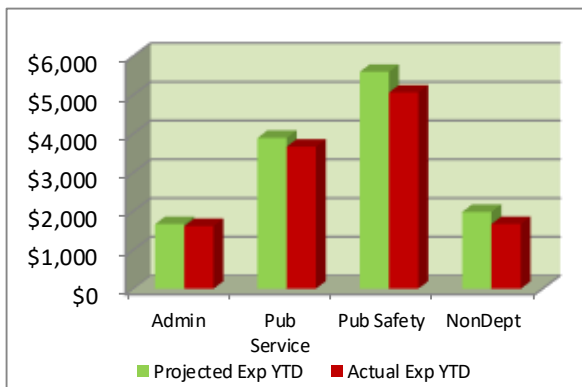
Projected General Fund monthly expenditures for March were **\$1,426,252**. Actual expenditures were **\$1,021,324**, which is **\$404,928** less than projected for a **variance of 28.4%** for the month, and a positive **6.5% year-to-date**.

## General Fund Expenditures

Through March 31, 2023

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 2,201	1,670	1,620	50	3%
Pub Service	5,157	3,893	3,667	226	6%
Pub Safety	7,199	5,600	5,064	536	10%
NonDept	2,644	1,983	1,670	313	16%
Unapp	-	-	-	-	0%
<b>Total</b>	<b>\$17,200</b>	<b>\$ 13,145</b>	<b>\$ 12,020</b>	<b>\$ 1,125</b>	<b>8.6%</b>

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

# FY2022-2023 Monthly Financial Report

## General Fund Expenditure Detail For the Month Ending March 31, 2023

### General Fund Expenditures by Department

	Annual Projected			Var Fav/ (Unfav)	% Var Fav/ (Unfav)
	Exp	Projected Exp YTD	Actual Exp YTD		
City Council	67,127	59,207	48,646	10,561	18%
City Manager/Legal	1,031,513	773,635	770,065	3,570	0%
City Planning	443,872	332,904	318,756	14,148	4%
Finance	659,029	503,935	482,304	21,631	4%
<b>Total Administration</b>	<b>2,201,541</b>	<b>1,669,681</b>	<b>1,619,771</b>	<b>49,910</b>	<b>3%</b>
Transportation	411,800	303,045	308,767	(5,722)	-2%
Airport	380,000	269,712	270,793	(1,081)	0%
Bldg Inspection	603,257	482,276	400,525	81,751	17%
Parks	735,081	560,078	531,071	29,007	5%
Parks/Utility Landscaping	67,061	43,733	23,142	20,591	47%
Pool	587,315	388,492	395,593	(7,101)	-2%
Municipal Buildings	145,973	109,480	109,229	251	0%
Library	1,028,515	789,988	692,090	97,898	12%
Recreation	877,059	689,497	749,739	(60,242)	-9%
Community Center	256,822	206,846	139,462	67,384	33%
Harkenrider Center	64,264	49,641	46,184	3,457	7%
<b>Total Public Services</b>	<b>5,157,147</b>	<b>3,892,787</b>	<b>3,666,595</b>	<b>226,192</b>	<b>6%</b>
Court	835,778	670,996	468,423	202,573	30%
Public Safety Center	62,000	48,624	43,973	4,651	10%
Police Operations	6,300,785	4,880,028	4,551,536	328,492	7%
<b>Total Public Safety</b>	<b>7,198,563</b>	<b>5,599,648</b>	<b>5,063,932</b>	<b>535,716</b>	<b>10%</b>
Non-Departmental	2,643,587	1,982,690	1,669,644	313,046	16%
Unappropriated	0	0	0	0	0%
<b>Total Non-Dept</b>	<b>2,643,587</b>	<b>1,982,690</b>	<b>1,669,644</b>	<b>313,046</b>	<b>16%</b>
<b>Total</b>	<b>17,200,838</b>	<b>13,144,807</b>	<b>12,019,942</b>	<b>1,124,865</b>	<b>8.6%</b>

For March of FY2023, **Total Administration** is \$49,910 less than projected for the month. **Total Public Services** is \$226,192 less than projected this month. **Public Safety** is \$535,716 less than projected for January. **Non-Departmental** is \$313,046 less than projected for the month. The total **General Fund expenses** are \$1,124,865 less than projected for the first eight months of FY2023.

# FY2022-2023 Monthly Financial Report

## Fund Balance - General Fund

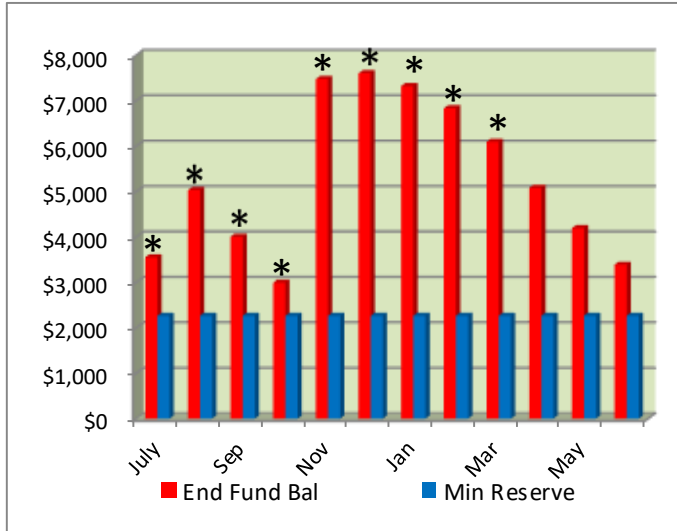
For the Month Ending March 31, 2023

### General Fund

Through March 31, 2023

Ending Fund Balance

(in \$1,000)



	Begin Fund Bal	Revenue	Expense	End Fund Bal	ACT/PROJ Fund Bal
July	\$ 3,144	\$ 1,731	\$ (1,324)	\$ 3,551	ACT*
Aug	\$ 3,551	\$ 3,133	\$ (1,653)	\$ 5,031	ACT*
Sep	\$ 5,031	\$ 445	\$ (1,473)	\$ 4,003	ACT*
Oct	\$ 4,003	\$ 295	\$ (1,304)	\$ 2,995	ACT*
Nov	\$ 2,995	\$ 5,983	\$ (1,502)	\$ 7,475	ACT*
Dec	\$ 7,475	\$ 1,526	\$ (1,397)	\$ 7,604	ACT*
Jan	\$ 7,604	\$ 903	\$ (1,185)	\$ 7,322	ACT*
Feb	\$ 7,322	\$ 670	\$ (1,160)	\$ 6,832	ACT*
Mar	\$ 6,832	\$ 688	\$ (1,426)	\$ 6,094	ACT*
Apr	\$ 6,094	\$ 391	\$ (1,406)	\$ 5,079	PROJ
May	\$ 5,079	\$ 559	\$ (1,445)	\$ 4,193	PROJ
June	\$ 4,193	\$ 399	\$ (1,205)	\$ 3,387	PROJ
<b>Total</b>	<b>\$ 3,144</b>	<b>\$ 16,723</b>	<b>\$ (16,480)</b>	<b>\$ 3,387</b>	

Minimum Reserve = \$2,264,700

Last Year Minimum Reserve was \$2,150,851

The General Fund balance at the end of March for FY2023 is approximately **\$6,094,000**, which is **\$3,943,149** more than the current Minimum Reserve requirement of **\$2,264,700** (or 1.83 times the minimum reserve).

The General Fund reserve policy is to maintain **15% fund balance** of total expenditures based on the prior fiscal year activity.



# FY2022-2023 Monthly Financial Report

## Special Revenue Funds Report

For the Month Ending March 31, 2023

### Special Revenue Funds Resources & Requirements

	2022-23		Remaining Budget
	Annual Budget	Actual YTD	
<b>02 Bonded Debt Fund</b>			
Resources	634,018	452,008	182,010
Expenditures	531,720	498,409	33,311
Unappropriated Balance	102,298	N/A	N/A
<b>05 Transient Room Tax (TRT)</b>			
Resources	998,800	874,716	124,084
Expenditures	998,800	937,392	61,408
Unappropriated Balance	-	N/A	N/A
<b>08 Reserve Fund</b>			
Resources	21,968,083	5,097,615	16,870,468
Expenditures	20,873,689	3,650,147	17,223,542
Unappropriated Balance	1,094,394	N/A	N/A
<b>11 Miscellaneous Special Revenue</b>			
Resources	141,000	35,873	105,127
Expenditures	141,000	69,107	71,893
Unappropriated Balance	-	N/A	N/A
<b>19 Christmas Express Special Revenue</b>			
Resources	35,000	20,679	14,321
Expenditures	35,000	20,999	14,001
Unappropriated Balance	-	N/A	N/A
<b>20 Law Enforcement Special Revenue</b>			
Resources	84,014	12,676	71,338
Expenditures	65,000	12,532	52,468
Unappropriated Balance	19,014	N/A	N/A
<b>21 Library Special Revenue</b>			
Resources	33,000	4,331	28,669
Expenditures	3,300	1,066	2,234
Unappropriated Balance	29,700	N/A	N/A
<b>23 Enterprise Zone Project Fund</b>			
Resources	1,648,699	620,000	1,028,699
Expenditures	1,648,699	1,005,325	643,374
Unappropriated Balance	763,374	N/A	N/A
<b>25 EOTEC Operations</b>			
Resources	956,316	583,976	372,340
Expenditures	956,316	664,926	291,390
Unappropriated Balance		N/A	N/A
<b>26 IT Services</b>			
Resources	806,000	542,791	263,209
Expenditures	806,000	580,383	225,617
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.

# FY2022-2023 Monthly Financial Report

## Utility and Street Funds Report

### For the Month Ending March 31, 2023

#### Utility and Street Funds Report

##### Resources & Expenditures

	2022-2023		Actual YTD	Variance	
	Annual Budget	Projected YTD		Fav/(Unfav)	% Variance
<b>04 Street Fund</b>					
Resources	1,843,007	1,353,876	1,182,049	(171,827)	-13%
Expenditures	1,813,007	1,359,755	1,050,102	309,653	23%
Contingency	30,000	N/A	N/A	N/A	N/A

<b>06 Utility Fund</b>					
Resources	11,806,391	8,081,625	8,835,218	753,593	9%
Expenditures	10,728,239	8,046,179	7,163,019	883,160	11%
Contingency	1,078,152	N/A	N/A	N/A	N/A

<b>13 HES Fund</b>					
Resources	12,495,134	7,357,500	8,642,148	1,284,648	17%
Expenditures	9,945,430	7,459,073	7,148,990	310,083	4%
Contingency	2,549,704	N/A	N/A	N/A	N/A

<b>15 Regional Water Fund</b>					
Resources	1,874,653	1,013,250	961,925	(51,325)	-5%
Expenditures	1,206,031	904,523	698,189	206,334	23%
Contingency	668,622	N/A	N/A	N/A	N/A

All four of these funds are projected on a straight line, 1/12<sup>th</sup> of budgeted expense or revenue per month.

Revenues for the **Street Fund** are **\$171,827** less than projected. Expenditures are **\$309,653** below projected.

Revenues in the **Utility Funds** are **\$753,983** above projected. Expenditures are **\$883,160** below projected.

The **HES Fund** revenue is **\$1,284,648** more than projected. Expenditures are **\$310,083** below projected.

The **Regional Water Fund** revenues are **\$51,325** less than projected. Expenditures are **\$206,334** below projected.

# FY2022-23 Monthly Financial Report

City of Hermiston, Oregon  
 Utilities/Streets Capital Projects Report  
 For the Month Ending March 31, 2023

	2022-2023 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 125,000	\$ -	\$ 1,500,000	\$ 11,062	0.74%
N. 1st Place Reconstruction	\$ 4,500,000	\$ 230,595	\$ 4,500,000	\$ 312,595	6.95%
Well #5 Water System Improvements	\$ 520,000	\$ 58,878	\$ 520,000	\$ 55,878	10.75%
Well #6 Backup Generator	\$ 320,000	\$ 50,873	\$ 380,000	\$ 92,802	24.42%
N. 1st Place Water Line Replacement	\$ 100,000	\$ 280,575	\$ 800,000	\$ 306,583	38.32%
Gladys & Main Waterline Replacement	\$ 100,000	\$ -	\$ 1,180,000	\$ -	0.00%
Lift Station #6 Reconstruction	\$ 620,000	\$ 590,865	\$ 620,000	\$ 622,453	100.40%
McDonald's & 395 Sewer Main Replacement	\$ 330,000	\$ 3,357	\$ 330,000	\$ 25,357	7.68%
Lift Station #3 Upgrade	\$ 550,000	\$ 865,009	\$ 900,000	\$ 1,224,083	136.01%
Penney Ave Roadway Improvement	\$ 1,193,200	\$ 268,497	\$ 1,193,200	\$ 268,497	22.50%
AWS System Expansion - RWS	\$ 3,949,400	\$ 262,823	\$ 805,000	\$ 262,823	32.65%
AWS Cooling Discharge	\$ 805,000	\$ 35,798	\$ 805,000	\$ 35,798	4.45%
<b>Total</b>	<b>\$ 12,307,600</b>	<b>\$ 2,611,472</b>	<b>\$ 12,728,200</b>	<b>\$ 3,182,133</b>	<b>25.00%</b>

**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 1<sup>st</sup> Place Reconstruction**

North 1<sup>st</sup> 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 opened and were very competitive. Construction will begin soon.

**Well #5 Water System Improvements**

Well No. 5 has become the city’s primary water source in recent years and provides water to the main pressure zone, which is the baseline for the entire water system. However, the current pumping capacity is less than the water right associated with it. The project will increase pumping capacity to allow the city to use its full water right of 5,000 gallons per minute.

**Current Update: The contractor has purchased all the materials and has begun laying pipe for the new main extension to the Northwest for the new connection at Geer & Theater. This will be a relatively long project, as the contractor has started on the piping portion of the project but will have to wait until after irrigation season to do the work to the actual well pumps and motors.**

**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: Project still delayed by supply-chain issues holding up actual delivery of the generator. Now anticipated delivery to occur in late Spring '23.

# FY2022-23 Monthly Financial Report

Section 10, Item B.

## City of Hermiston, Oregon Utilities/Streets Capital Projects Report For the Month Ending March 31, 2023

	2022-2023 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 125,000	\$ -	\$ 1,500,000	\$ 11,062	0.74%
N. 1st Place Reconstruction	\$ 4,500,000	\$ 230,595	\$ 4,500,000	\$ 312,595	6.95%
Well #5 Water System Improvements	\$ 520,000	\$ 58,878	\$ 520,000	\$ 55,878	10.75%
Well #6 Backup Generator	\$ 320,000	\$ 50,873	\$ 380,000	\$ 92,802	24.42%
N. 1st Place Water Line Replacement	\$ 100,000	\$ 280,575	\$ 800,000	\$ 306,583	38.32%
Gladys & Main Waterline Replacement	\$ 100,000	\$ -	\$ 1,180,000	\$ -	0.00%
Lift Station #6 Reconstruction	\$ 620,000	\$ 590,865	\$ 620,000	\$ 622,453	100.40%
McDonald's & 395 Sewer Main Replacement	\$ 330,000	\$ 3,357	\$ 330,000	\$ 25,357	7.68%
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### **North 1<sup>st</sup> 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:** : Bids were opened, and were very competitive. Construction will begin soon.

### **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:** This project is being pushed back to occur in late 2023 due to internal staff capacity. Moving the N 1<sup>st</sup> waterline project back to coincide with the N 1<sup>st</sup> roadway project will result in a large project occurring in early 2023; meanwhile, the request from Amazon Data Services to supply regional water will also result in a very large project occurring there in early/mid 2023. Delaying the Gladys & Main project will result in better oversight of the project.

### **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:** *The project has been completed*

### **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:** Legal staff continues to work with outside counsel to secure the necessary easements for this work.

# FY2022-23 Monthly Financial Report

Section 10, Item B.

## City of Hermiston, Oregon Utilities/Streets Capital Projects Report For the Month Ending March 31, 2023

	2022-2023 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 125,000	\$ -	\$ 1,500,000	\$ 11,062	0.74%
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Well #5 Water System Improvements	\$ 520,000	\$ 58,878	\$ 520,000	\$ 55,878	10.75%
Well #6 Backup Generator	\$ 320,000	\$ 50,873	\$ 380,000	\$ 92,802	24.42%
N. 1st Place Water Line Replacement	\$ 100,000	\$ 280,575	\$ 800,000	\$ 306,583	38.32%
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<b>Total</b>	<b>\$ 12,307,600</b>	<b>\$ 2,611,472</b>	<b>\$ 12,728,200</b>	<b>\$ 3,182,133</b>	<b>25.00%</b>

### 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:** Final punchlist items were completed in late March, with project acceptance soon after. The project will be closed out before the end of FY '23.

### Penney Ave. Extension

Business Oregon awarded a grant of approximately \$600,000 to cover half of the cost of constructing an extension of Penney Ave. between Kelli Blvd. and US395. Council approved using ARPA funds to cover the local match (half). This project implements the Transportation System Plan by adding an additional connection in to the southern industrial area of the City.

**Current Update:** A Pre-Construction Conference has been set for April 24, with work anticipated to begin in early May. Project completion anticipated in late Fall, '23.

### AWS Cooling Discharge (\$805,000)

Amazon Web Services is paying the City to design a discharge solution for their non-contact cooling water which is used to cool their facilities. This solution will require installation of a lift station and approximately 10,600 feet of new discharge water Main in Feedville and South 1<sup>st</sup> to discharge in to the Hermiston Irrigation District's A-Line Canal. This work will also require development of a separate NPDES Permit for the new discharge.

**Current Update:** Anderson Perry continues the design effort and coordinating early permitting issues with Umatilla County and DEQ.

### AWS System Expansion- RWS (\$3,949,400)

Amazon Web Services is paying to extend the City-owned 16" water main in Feedville Road approximately 7,000 feet to connect up with the City's other existing water infrastructure in Kelli Blvd. This project will also upgrade various pumps and motors in the Regional Water System, and also chlorinate and perform the necessary functions to convert the line to carry potable water. AWS is also paying the City to design a second, permanent, 24" nonpotable water main in Feedville Road.

**Current Update:** Rotschy has finished drilling under OR207, and has begun laying pipe along Feedville between 1<sup>st</sup> & Kelli. Anderson Perry continues to work on design of the 2<sup>nd</sup> Phase construction of the 24" nonpotable pipeline.



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of April 24, 2023

**Title/Subject**

Resolution No. 18 To Supplement FY2023 HURA Budget

**Summary and Background**

Resolution No. 18 authorizes appropriations and expenditures as follows:

HURA Fund                      \$320,100

**Tie-In to Council Goals**

Fiscal Prudence

**Fiscal Information**

**92 HURA FUND**

Authorize a Transfer Out of \$320,100 from HURA to City Hall Construction for parking lot construction cost reimbursements to City; Authorize an increase of \$320,100 in Cash Forward.

Increase Transfers Out \$320,100; Increase Cash Forward \$320,100.

**Alternatives and Recommendation**

Alternatives

1. Do not supplement the FY2023 HURA Budget
2. Supplement the FY2023 HURA Budget in the amount of \$320,100
3. Supplement the FY2023 HURA Budget by a different amount

Recommended Action/Motion

Staff recommends Resolution No. 18 be approved/adopted as presented.

Request a motion to adopt Resolution No. 18

**Submitted By:**

Mark Krawczyk

Director of Finance

**RESOLUTION NO. 18**

WHEREAS, ORS 294.471 permits the governing body of a municipal corporation to adopt a supplemental budget for the fiscal year for which the regular budget has been prepared if an occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning or creates a pressing necessity for prompt action; and

WHEREAS, the conditions requiring a change in financial planning are listed in Exhibit A attached to and made a part of this resolution.

NOW, THEREFORE, THE HERMISTON URBAN RENEWAL AGENCY RESOLVES AS FOLLOWS:

- 1. That due to the conditions listed in Exhibit A that were not known at the time the budget was prepared, the total budget for the Hermiston Urban Renewal Agency for the fiscal period beginning July 1, 2022, is hereby supplemented in the amount of **\$320,100**. The amounts for the purposes shown below are hereby appropriated:

***Supplementing the Budget***

**GENERAL FUND**

<b>Requirements:</b>	
Transfers Out	<u>320,100</u>
<b>Total Requirements:</b>	<b>320,100</b>

- 2. This resolution shall become effective immediately upon its passage as of the date and year set out below.

PASSED by the Urban Renewal Agency this 24<sup>th</sup> day of April, 2023.

SIGNED by the Council President this 24<sup>th</sup> day of April, 2023.

\_\_\_\_\_  
Doug Primmer, COUNCIL PRESIDENT

ATTEST:

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



EXHIBIT A

92 HURA FUND	2022-23 Adopted Budget	Budget Supp #1 Res 17	Budget Supp #2 Res 18	2022-23 Amended Budget
Property taxes	270,759	-		270,759
From Other Agencies	-	-		-
Non Revenue	-	496,000		496,000
Cash Forward	374,903	-	320,100	695,003
<b>Total Resources</b>	<b>645,662</b>	<b>496,000</b>	<b>320,100</b>	<b>1,461,762</b>
Materials & Services	481,000	496,000	-	977,000
Capital Outlay	-	-	-	-
Debt Service	110,687	-	-	110,687
Transfers Out		-	320,100	320,100
Contingency	53,975	-	-	53,975
<b>Total Requirements</b>	<b>645,662</b>	<b>496,000</b>	<b>320,100</b>	<b>1,461,762</b>
<b>Total Budget</b>	<b>645,662</b>	<b>496,000</b>	<b>320,100</b>	<b>1,461,762</b>
<b>Total Appropriations</b>	<b>645,662</b>	<b>496,000</b>	<b>320,100</b>	<b>1,461,762</b>

# Hermiston Urban Renewal Agency

## Application for Façade Improvement Grant

Name of Applicant

Property Address

Property Owner (if different)

Owner Address (if different)

Business Name

Phone Number  E-Mail

Project Description *Please address the scoring criteria if possible. Use additional pages if necessary.*

Grant Request  Project Budget

Start Date  End Date

Applicant Signature  Date

Please attach to this form copies of the project budget, construction drawings, property owner consent, an itemized list of improvements, and other items that are pertinent to the project.

Hermiston Urban Renewal Agency  
Application for Façade Improvements Grant

Page 1

Project Description:

Bringing a new business to the Hermiston commercial core. We are excited to bring The Human Bean of Hermiston to the corner of Hwy 395 & Hurlburt. Turning a vacant lot into a new aesthetic site to enhance the value of the property and surrounding area. The improved lot will include paving, curbing, rock landscape, black trash enclosure to compliment the building, and of course a beautiful new building which will compliment all surrounding areas.

# Hermiston Urban Renewal Agency

## Application for Façade Improvement Grant

Colors proposed

The colors of the franchise is brown & tans. Very classy and clean. Please see attached photos of what our building will look like

Describe building materials proposed

The building is wood framed with stucco and stone

Explain how the proposed improvements are consistent with the type of architectural features found in the existing historical buildings in the district.

The new building will enhance current buildings showing the stucco and stone and will create a clean, timeless and modern fashion yet remain classic.

Does the proposed improvement contain features designed to contribute to aesthetic enhancement?

Yes, the improvements will contribute to the aesthetic enhancement downtown. The clean color scheme with stucco & stone will not only brighten up the 395 corridor in downtown Hermiston, it will serve the community for years to come.

Will the proposed improvements contribute not only to the enhancement of the commercial use, but the downtown as a whole?

Yes, the improvements (new business) will be an enhancement not only to the looks of downtown but a convenience for many of the employees and customers that frequent our downtown.

# Hermiston Urban Renewal Agency

## Application for Façade Improvement Grant

Are the proposed improvements compatible with the overall downtown character?

The Human Bean of Hermiston is compatible with the downtown character by bringing a new business full of life to the area, while at the same time embodying the culture, comfort, & love for our historic downtown.

Are the proposed improvements designed to contribute to the long-term health of the district? For example, landscape improvements are not as durable as masonry.

The new business building and landscape are designed to be a lifelong part of the Hermiston downtown. We are planning on being a life long member of the Hermiston business district and community as a whole.

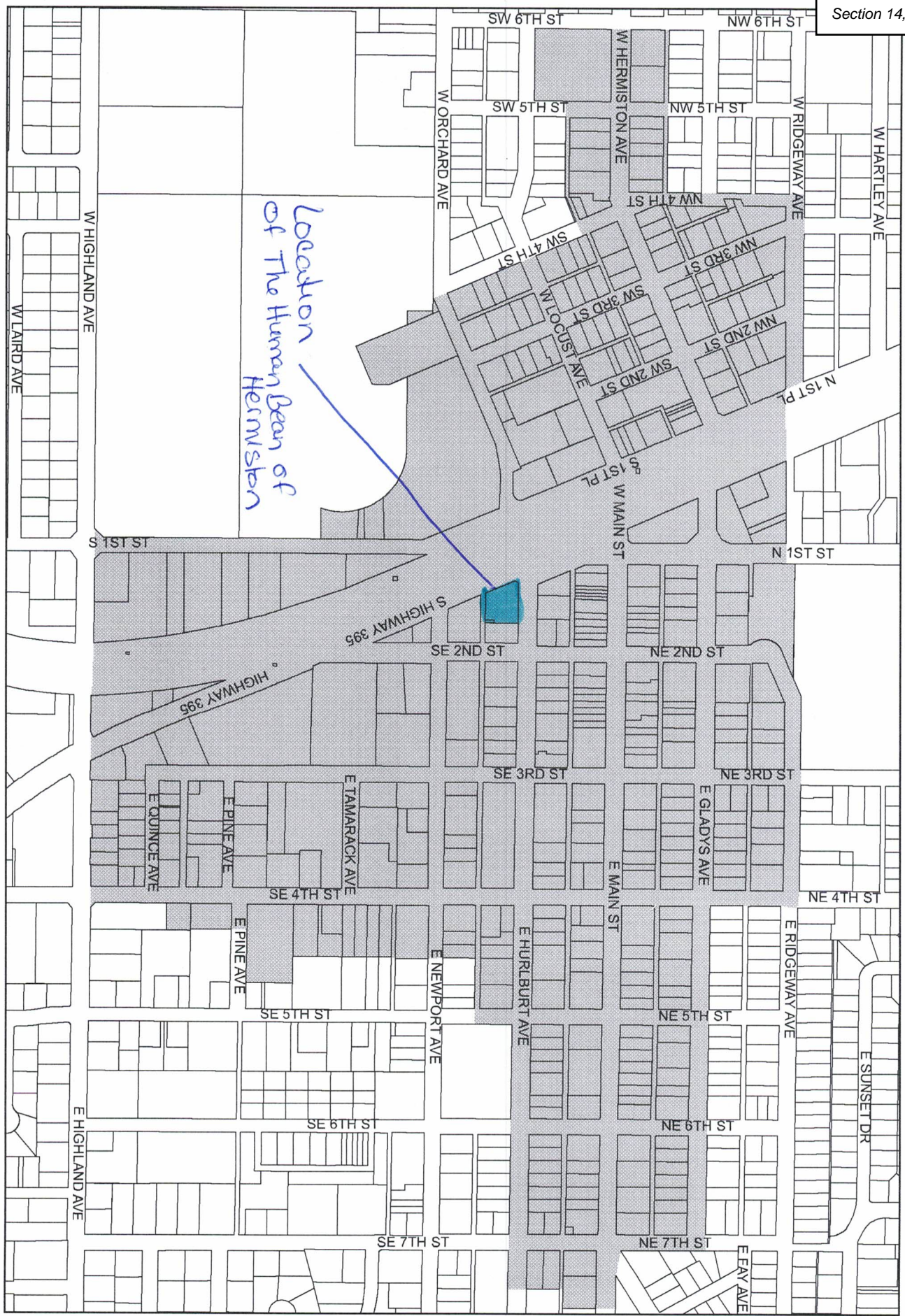
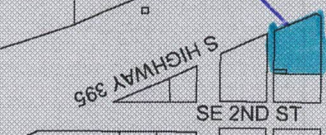
Will the proposed improvements enhance the value of the property and provide a good return on investment for the district?

The new business will most definitely enhance the value of our property and provide a good return on investment for the district by showing others it is an awesome place to bring a new business.

# Exhibit A - Hermiston Urban Renewal District



*Location of The Human Bean of Hermiston*



Source: City of Hermiston, Umatilla County, ESRI  
Spencer 1-29-14

Our building 😊



\*note awnings come with the building  
so I do not have separate cost breakdown

Hermiston Urban Renewal Agency  
Budget for Façade Improvement grant

Landscaping rock	\$3,000.00
Parking Lot Lights	\$16,721.00
Paving of Lot	\$53,446.25
Building signs	\$19,984.85
Trash enclosure	\$2,147.97
total	\$95,300.07

does not include cost for awnings

does not include any concrete work which included all new sidewalks around the property, or any curbing inside the property

does not include any cost of building, doors, windows

does not include any of the building cost

If you would like questions answered please feel free to reach out to me at [meant2benterprises@gmail.com](mailto:meant2benterprises@gmail.com) or 509-386-2499



clgksg@gmail.com

**From:** Aaron Beamer <beamer\_0032@hotmail.com>  
**Sent:** Tuesday, February 28, 2023 1:37 PM  
**To:** Cindy Granger  
**Subject:** FW: Rock Quote

Sent from [Mail](#) for Windows 10

**From:** [Kopacz Nursery Florist](#)  
**Sent:** Tuesday, February 28, 2023 1:35 PM  
**To:** [beamer\\_0032@hotmail.com](mailto:beamer_0032@hotmail.com)  
**Subject:** Rock Quote

Hello Aaron,  
River Rock quote for the 4,254 square feet would be \$3000.00.

Thanks, Tania Hoefft  
Manager

--

**Kopacz Nursery & Florist**  
[kopacznursery@gmail.com](mailto:kopacznursery@gmail.com)  
(541) 567-3278  
465 W Theater Ln  
Hermiston OR, 97838



Connect with us on [Facebook](#) and visit us at [kopacznurseryflorist.com](http://kopacznurseryflorist.com)

meant2benterprises@gmail.com

**From:** Jerrad Johnston <jerrad@wwelectric.com>  
**Sent:** Tuesday, April 11, 2023 7:48 AM  
**To:** meant2benterprises@gmail.com  
**Cc:** Trevor Depping  
**Subject:** RE: LIGHTS

Cindy,

That number for the parking lot lighting, is \$16,721  
That includes conduit, wire, fixtures, poles, pole bases, labor, etc..



Jerrad Johnston  
Project Manager / Scheduler  
Walla Walla Electric, Inc  
<https://www.wwelectric.com>  
509-525-8672 – office  
509-629-1075 – cell

---

**From:** meant2benterprises@gmail.com <meant2benterprises@gmail.com>  
**Sent:** Monday, April 10, 2023 7:20 PM  
**To:** Jerrad Johnston <jerrad@wwelectric.com>  
**Subject:** LIGHTS

I am filling out a grant of course I am running late.... It is due tomorrow..... I have your quoted amount to Sineco for the job... but the only qualified portion for the grant is the parking lot lighting..... can you give me a documentation of cost and labor for that portion?

*Smiles & Laughter,*  
*Cindy Granger, Member*  
*Meant 2B Enerprises, LLC*  
509-386-2499

Sineco Construction LLC.  
97544 Powerline RD.  
Hermiston, OR 97838



Section 14, Item C.

Steve Sinor (541) 566-1987  
[steve.sinor3@gmail.com](mailto:steve.sinor3@gmail.com)

Doug Cox (541) 571-5118  
[wdcox51393@gmail.com](mailto:wdcox51393@gmail.com)

Date: 1/9/23

## Project: Human Bean

### Contact Information

Cindy Granger

### Project Location

Hermiston, Or

### Billing Address

BID GOOD FOR 30 DAYS

## Scope of Work: New Human Bean Construction

### Exclusions:

Excluded from this proposal. Modular Building, UEC Power, Cascade Natural Gas, Internet / Phone, Landscaping, Trash Enclosure, Human Bean Sign, Order Stations, and Crane Cost's. Additional work or changes to current plans will be charged at a cost-plus basis.

### Proposal:

Site Work Demo & Preparation \$120,968.50

Modular Foundation / Civil Concrete \$75,499.61

Asphalt Drive and Parking \$53,446.25

Traffic Control and Paint Striping \$16,387.50

Electrical Site Work / Building Security \$32,953.25

Plumbing \$7,500

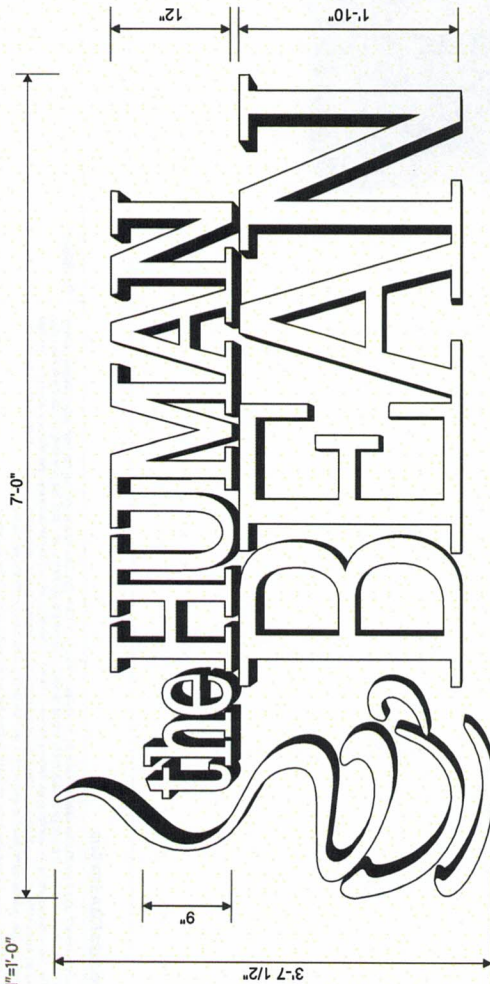
Site Staking \$5,500

Compaction Testing \$2,500

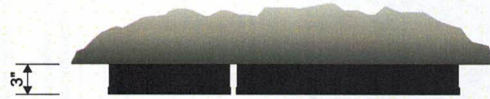
Building Connection Labor \$6,500

Administration Fees \$3,500

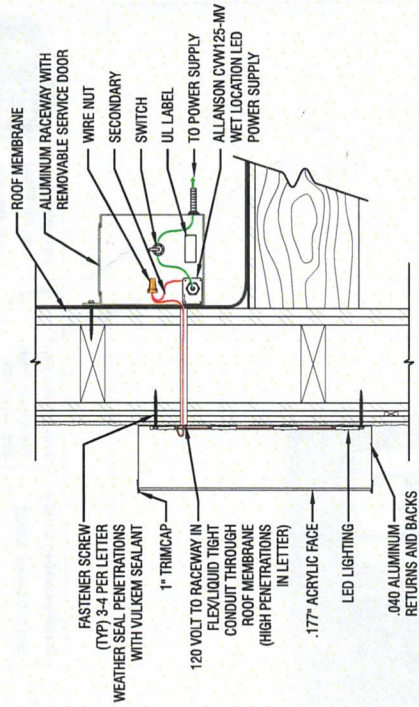
Layout  
Scale: 1"=1'-0"



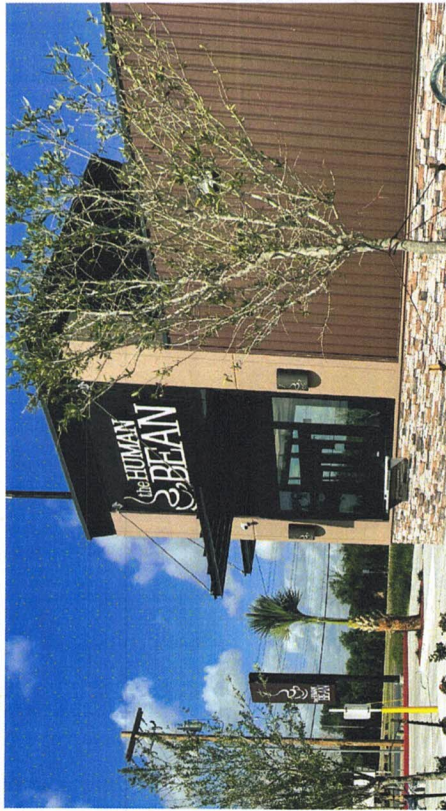
Side View



Attachment Detail



Typical Example



Specifications

Manufacture (3) Sets of Channel Letters

3" deep stock black returns & 3/4" black trim cap.

White acrylic faces & white LED illumination.

Remote raceway mounted on roof behind parapet wall.

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Revisions:

Client Approval:  
Includes Colors, Spelling, Artwork  
Please Initial: | Please Date:

Drawing Number: 35755A  
Date of Drawing: 3.07.23  
Sales: TC | BL | Page No: 1 of 2

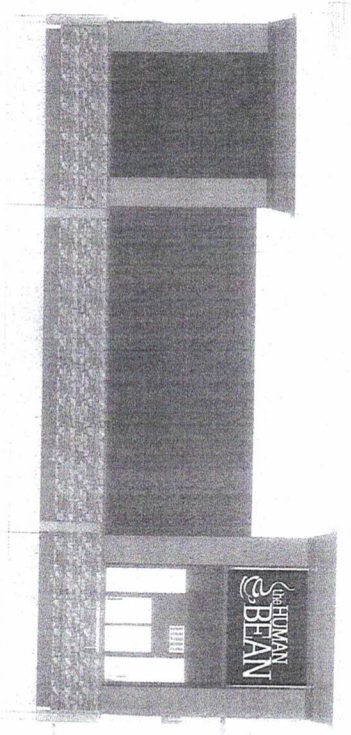
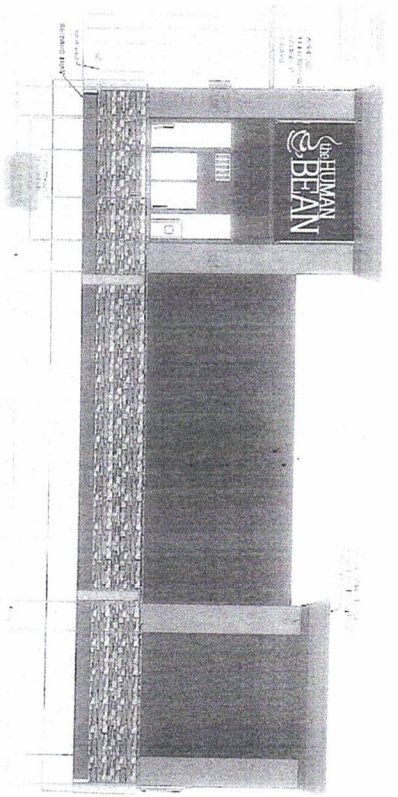
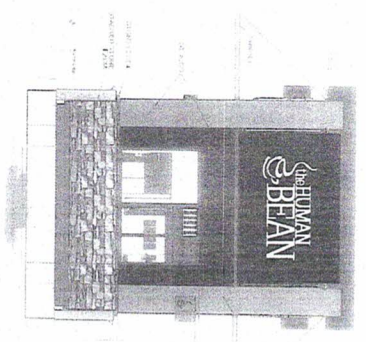
Presentation For:  
The Human Bean  
205 S Hwy 395  
Hermiston, OR 97838

89975 Prairie Rd.  
Eugene, OR 97402  
P | 541.485.5546  
esesigns.com

Section 14, Item C.

*This is documentation of the three signs that will be placed on the building a quote*

ES&A  
11'-0"



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Revisions:

Client Approval:  
Includes Colors, Spelling, Artwork

Please Initial: Please Date:

Drawing Number: 35755A  
Date of Drawing: 3/07/23

Sales: TC Design: BL Page No: 2 of 2

Presentation For:  
The Human Bean  
205 S Hwy 395  
Hermiston, OR 97838

89975 Prairie Rd.  
Eugene, OR 97402  
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# PROPOSAL

## Proposal #: 35755

Section 14, Item C.

**Proposal Date:** 03/17/23  
**Customer #:** 15652  
**Page:** 1 of 5  
**Salesperson:** Tracy Cornelius

<b>SOLD TO:</b>	<b>JOB LOCATION:</b>
MEANT 2B ENTERPRISES, LLC ATTN: ACCOUNTS PAYABLE 53125 W BALLOU RD. MILTON-FREEWATER OR 97862	HUMAN BEAN 205 S HWY 395 HERMISTON OR 97838

ES&A SIGN CORP. (HEREINAFTER CALLED THE "COMPANY") HEREBY PROPOSES TO FURNISH ALL THE MATERIALS AND PERFORM ALL THE LABOR NECESSARY FOR THE COMPLETION OF:

QTY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	QUOTE #35755 Common - Phase A ONLY- mobilization, survey, per diem, lodging.	\$4,792.17	\$4,792.17
1	QUOTE #35755A Fabricate and install (3) three sets of LED illuminated channel letters. Specifications as per ES&A design #35755A. Customer to provide primary power to within approx. 5' of install location. Specifications as per ES&A design #35755A. Quote does not include permits.	\$18,199.95	\$18,199.95
		<b>SUB TOTAL:</b>	<b>\$22,992.12</b>
		<b>DISCOUNT:</b>	<b>- \$3,080.94</b>
		<b>ESTIMATED SALES TAXES:</b>	<b>\$73.67</b>

ALL MATERIAL IS GUARANTEED TO BE AS SPECIFIED, AND THE ABOVE TO BE IN ACCORDANCE WITH THE DRAWINGS AND OR SPECIFICATIONS SUBMITTED FOR THE ABOVE WORK AND COMPLETED IN A WORKMANLIKE MANNER FOR THE SUM OF:

**TOTAL PROPOSAL AMOUNT: \$19,984.85**

Effective January 1, 2020, a .37% Corporate Activity Tax (CAT) will be calculated on the gross amount and added to all invoices, except on those entities exempt by law.

**TERMS: 50.0% DOWN, BALANCE DUE ON COMPLETION**

**THIS PRICE DOES NOT INCLUDE ELECTRICAL HOOKUP, PERMITS, ENGINEERING OR TAX UNLESS SPECIFICALLY STATED.**

NOTE: THIS PROPOSAL MAY BE WITHDRAWN IF NOT ACCEPTED WITHIN 30 DAYS. WORK WILL NOT BEGIN UNTIL DOWN PAYMENT AND WRITTEN ACCEPTANCE IS RECEIVED.

ANY ALTERATION FROM THE ABOVE SPECIFICATIONS INVOLVING EXTRA COSTS, WILL BE EXECUTED ONLY UPON WRITTEN ORDERS, AND WILL BECOME AN EXTRA CHARGE OVER AND ABOVE THE ESTIMATE TO BE PAID BY THE PURCHASER.

COMPANY INITIALS \_\_\_\_\_

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 89975 PRAIRIE RD EUGENE, OR 97402  
 P 541-485-5546; F 541-485-5813

CUSTOMER INITIALS

Oregon CCB 163470



# PROPOSAL

## Proposal #: 35755

**Proposal Date:** 03/17/23  
**Customer #:** 15652  
**Page:** 2 of 5  
**Salesperson:** Tracy Cornelius

### TERMS AND CONDITIONS

Payment terms: 50% down with order. Balance due upon delivery or installation. Work will not begin until down payment and written acceptance have been received. Permits are additional and are charged at cost with a \$350 procurement fee. Engineering, private locates, and special inspections are additional at cost plus 10%. Primary Electrical to display(s) and hook-up is not included. All signs will be manufactured for 120 Volts unless otherwise requested in writing. Dedicated circuit(s) must be provided with a continuous ground to panel. Voltage at sign must be within 117v to 123v or warranty will be void. Sales tax is additional.

Face changes and modifications to existing signs. Unless specified in writing, repairs to ballasts, power supplies, LED's, transformers, neon, fluorescent lamps, lamp sockets, and all other lighting components are not included in price.

Not responsible for underground obstructions and damage to same.

Expiration: Due to fluctuations in fuel, energy, labor, and material costs, sale agreements may be withdrawn if not accepted within (60) sixty days.

1. **Agreement.** Seller agrees to sell, and Buyer agrees to purchase, an advertising display, sign, or awning (Display) in conformity with the terms of this agreement.
2. **Buyer's Duties.** Unless this agreement provides otherwise, Buyer shall, at Buyer's expense:
  - 2.1 Provide unobstructed access for personnel, vehicles and equipment directly adjacent to display location including attic, roof, and fascia.
  - 2.2 Prior to installation, supply unobstructed, dedicated electrical circuits within 5'-0" to the Display of an appropriate capacity in conformance with Federal, State, and local laws.
  - 2.3 Perform all necessary blocking, modifications and/or reinforcements to the building on which Display is to be installed.
  - 2.4 Identify location of, relocate or arrange for relocation, of all public and private underground utilities or overhead power lines as necessary to accommodate installation of Display, and/or to comply with laws and regulations of federal, state, or local municipal authorities.
  - 2.5 Acquire all necessary engineering, permits, performance bonds, and zoning variances.
  - 2.6 Provide necessary traffic control, barricades, parking, sidewalk, or other special use permits.
  - 2.7 Remove and store or dispose of any pre-existing display or architectural feature.
  - 2.8 Repair or restore exterior wall surfaces.
  - 2.9 Repair or replace landscaping damaged in the course of normal Display installation.
  - 2.10 Acquire all necessary permission to install the Display from the property owner where Display is to be installed.
  - 2.11 Maintain responsibility in the event that seller performs any of the Buyer's duties listed above.
3. **Seller's Duties.** The construction and installation of the Display shall be subject to delay caused by strikes, fires, acts of God, regulations or restriction of government or public authority, or other accident forces, conditions or circumstances beyond the control of Seller. Such circumstances shall suspend Seller's obligation to perform its duties under this agreement. Subject to those conditions, Seller shall, at Seller's expense:
  - 3.1 Design the Display in conformance with design specifications provided to Buyer. Seller reserves the right to modify any or all construction, fabrication or installation, provided it does not, per industry standards, significantly affect the quality, aesthetics, or structural integrity of the product, or increase the price to Buyer.
  - 3.2 Deliver the Display to a common carrier, if this agreement so provides.
  - 3.3 Install the Display, if this agreement so provides, in conformity with installation specifications provided to Buyer.
  - 3.4 Investigate in good faith any claims by Buyer under the Limited Warranty provided by this agreement.
4. **Purchase Price.** The purchase price listed in this agreement is subject to the following terms:
  - 4.1 **Late Charge.** Account balances more than 30 days past due shall be assessed an additional charge of 1.50 percent of the outstanding balance per month.
  - 4.2 **Additional Charges.** The purchase price listed in this agreement is negotiated based upon an assumption of the absence of unusual and/or unanticipated conditions. Buyer agrees to pay additional charges at Seller's prevailing rates for unanticipated work occasioned by any of the following:
    - 4.2.1 Davis-Bacon Act, prevailing wage, overtime, and/or after-hours installations.
    - 4.2.2 Buyer's provision of inaccurate information affecting Display design or installation.
    - 4.2.3 Separation of a multiple sign order into individual orders no longer being manufactured concurrently.
    - 4.2.4 Additional trips to/from jobsite beyond original allocation resulting from Buyer's request and/or non-performance, or any third party's request and/or non-performance.
    - 4.2.5 Buyer's request for a change in Display design requiring: (a) nonstandard materials, production methods, colors, or finishes; or (b) alteration of completed design.
    - 4.2.6 Alteration of Display design to accommodate engineering, permits, soil conditions, architectural elements, or building conditions.
    - 4.2.7 Repairs to pre-existing illumination including but not limited to ballasts, fluorescent lamps, lamp holders, neon transformers, neon tubing, electrical insulators, and wiring.

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CUSTOMER INITIALS 

Oregon CCB 163470



# PROPOSAL

## Proposal #: 35755

**Proposal Date:** 03/17/23  
**Customer #:** 15652  
**Page:** 3 of 5  
**Salesperson:** Tracy Cornelius

- 4.2.8 Unusual composition of soil or concealment in soil of obstructions.
  - 4.2.9 Unanticipated obstructions within building structure.
  - 4.2.10 Material restriction of access to the Display site.
  - 4.2.11 Storage of items completed by Seller but delayed at Buyer's request, by Buyer's non-performance, or by any third party's non-performance.
  - 4.2.12 Failure of Buyer to fulfill any of its duties under this agreement.
- 4.3 Independent Covenant Buyer agrees that its duty to pay the purchase price is independent of Seller's duties under this agreement.

5. **Payment Terms.**

- 5.1 Upon seller's receipt of original signed purchase agreement, Buyer shall pay Seller a 50% down payment.
- 5.2 Balance due upon delivery or installation.
- 5.3 Additional charges will be invoiced separately and shall be due upon receipt.

6. **Time is of the Essence.**

- 6.1 Seller may withdraw purchase agreement if not accepted by Buyer within (60) sixty days of original bid date or if manufacturing has not commenced within (270) two hundred seventy days of original bid date. Seller, at its discretion, may update the purchase price in lieu of withdrawal.
- 6.2 Work shall not commence until Seller has received original signed purchase agreement, down payment, and approved design from Buyer.
- 6.3 Work shall be subject to delay until Seller receives all of the following applicable items from Buyer:
  - 6.3.1 Landlord approval
  - 6.3.2 Structural engineering calculations
  - 6.3.3 Permits
  - 6.3.4 Paint colors
  - 6.3.5 Graphic colors
  - 6.3.6 Ready-to-use vectorized electronic artwork

7. **Warranty.**

- 7.1 Limited Warranty, Disclaimer. Contingent on timely payment of the purchase price and subject to the exceptions and modifications listed in paragraphs 7.2 and 7.3, Seller shall, at its expense, make all repairs, replacements, or corrections of Display, at Seller's option, made necessary by reason of faulty workmanship or material and that appear within one year of Display's delivery. To exercise its rights under this limited warranty, Buyer must provide written notice of the defect to Seller within 30 days of discovery of the defect. Repair or replacement shall constitute Buyer's sole remedy, and in no event shall Seller be liable for incidental or consequential damages of any kind, including but not limited to personal injury, property loss, or lost profits. There are no warranties other than those stated in this agreement. SELLER EXPRESSLY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.
- 7.2 Lamps, Ballasts and Transformers. Seller's warranty as to labor involved in installing lamps, ballasts, and transformers, is limited to 1 year from installation. In all other respects, Seller's warranty is identical to the limited warranty listed in paragraph 7.1.
- 7.3 Exclusions. Seller's warranty excludes damages caused by normal wear and tear, unusual weather, acts of vandalism, neglect, or other abuse.

8. **Shipping.**

- 8.1 Risk of Loss. Unless otherwise agreed, delivery is FOB Seller's place of business. If damage occurs en route, Buyer agrees that it will pursue redress only through the carrier or carriers charged with delivery.
- 8.2 Costs. Unless otherwise agreed, Buyer will pay any shipping charges directly to the carrier charged with delivery.
- 8.3 Timing of Delivery. Although Seller will make a good-faith effort to adhere to delivery schedules, Seller will not be responsible for delays caused by any circumstances beyond its control.

9. **Buyer's Default.** In the event of a default by Buyer in the payment of any of the amounts due under this agreement:

- 9.1 Acceleration. The entire unpaid balance of the purchase price shall immediately be and become due and payable.
- 9.2 Collection of Amounts Owed. Buyer agrees to pay interest at the rate of 18 percent per annum on any amounts due plus reasonable attorney's fees. Seller may recover those amounts by any or all of the following means:
  - 9.2.1 Removal and Resale. By entering upon the premises where the Display has been installed and removing and reselling the Display with or without notice and without liability on notice to Buyer.
  - 9.2.2 Action for Collection. By bringing suit for the balance due under this contract.
  - 9.2.3 Other Action. By exercising any other right allowed by law.

10. **Intellectual Property.** All designs, specifications, and artwork created by Seller shall remain property of Seller.

11. **Force Majeure.** Seller shall not be liable for any failure or delay in performance under this agreement to the extent that the failures or delays are proximately caused by forces beyond Seller's reasonable control and occurring without its fault, including, without limitation, natural disasters, war, imposition of government restrictions, and failure of suppliers, subcontractors, and carriers.

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CUSTOMER INITIALS

Oregon CCB 163470



# PROPOSAL

## Proposal #: 35755

**Proposal Date:** 03/17/23  
**Customer #:** 15652  
**Page:** 4 of 5  
**Salesperson:** Tracy Cornelius



- 12. **Authority.** The individuals executing this agreement represent and warrant that they are authorized to do so, and that the execution of this agreement is the lawful and voluntary act of each of the parties.
- 13. **Restriction on Assignment.** This agreement shall not be assigned by Buyer without the written consent of Seller. Consent by Seller to one (1) assignment shall not constitute consent to other assignments, nor shall it be construed to be a waiver of this paragraph.
- 14. **Notice.** All notices required by this agreement shall be in writing addressed to the party to whom the notice is directed at the address of that party set forth below the signatures on this agreement and shall be deemed to have been given for all purposes upon receipt when personally delivered; one day after being sent, when sent by recognized overnight courier service; two days after deposit in United States mail, postage prepaid, registered or certified mail; or on the date transmitted by telegraph or facsimile. Any party may designate a different mailing address or a different person for all future notices by notice given in accordance with this paragraph.
- 15. **Attorney Fees.** In any proceeding to enforce or interpret this agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorney fees, costs, and expenses incurred by the prevailing party before and at any trial, arbitration, bankruptcy, or other proceeding, and in any appeal or review.
- 16. **Modification.** No modification of this agreement shall be valid unless it is in writing and is signed by all of the parties.
- 17. **Integration.** This agreement is the entire agreement of the parties. There are no promises, terms conditions, or obligations other than those contained in this agreement. This agreement shall supersede all prior communications, representations, and agreements, oral or written, of the parties.
- 18. **Interpretation.** The paragraph headings are the convenience of the reader only and are not intended to act as a limitation on the scope or meaning of the paragraphs themselves. This agreement shall not be construed against the drafting party.
- 19. **Severability.** The invalidity of any term or provision of this agreement shall not affect the validity of any other provision.
- 20. **Waiver.** Waiver by any party of strict performance of any provision of this agreement shall not be a waiver of or prejudice any party's right to require strict performance of the same provision in the future or of any other provision.
- 21. **Binding Effect.** Subject to restrictions in this agreement upon assignment, if any, this agreement shall be binding on and inure to the benefit of the heirs, legal representatives, successors, and assigns of the parties.
- 22. **Venue and Personal Jurisdiction.** Should any action be filed to enforce this agreement, it is agreed that venue of such action shall lie in any court in Lane County, Oregon, having jurisdiction of the subject matter, and that the parties are subject to personal jurisdiction in Lane County, Oregon. Each party waives all right to challenge venue or personal jurisdiction in any action filed in Lane County, Oregon.

THIS PROPOSAL DOES NOT BECOME EFFECTIVE UNTIL SIGNED AND DATED BY THE COMPANY; ONCE SIGNED THIS PROPOSAL WILL EXPIRE AFTER 60 DAYS.

THE ABOVE PRICES, SPECIFICATIONS, AND CONDITIONS ARE SATISFACTORY AND ARE HEREBY ACCEPTED. YOU ARE AUTHORIZED TO DO THE WORK AS SPECIFIED. PAYMENT WILL BE MADE AS OUTLINED ABOVE.

SALESPERSON: \_\_\_\_\_

DATE: \_\_\_\_\_

ACCEPTED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNATURE: *Candy Shanger*

DATE: 4/6/2023

COMPANY INITIALS \_\_\_\_\_

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P 541-485-5546; F 541-485-5813

CUSTOMER INITIALS *TC*

# Your Cart (93)

Share

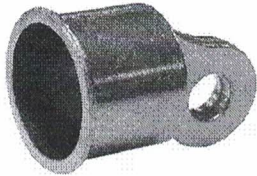
Remove All Items

Checkout

**Heads up!** Multiple locations are selected for Pickup. ✕

## Pickup

Lander (4 items) Curbside Available



### Everbilt 1-3/8 in. Chain Link Fence Aluminum Rail End

Model #328550EB

**\$15.68**  
(\$0.98/item)

Pickup at Lander

Delivering to 98134

#### Pickup

**Today**  
102 in stock  
**FREE**

#### Delivery

**Today**  
102 available

16

Save for Later

Save to Favorites

Remove



### Everbilt 2-3/8 in. x 2-3/8 in. Chain Link Fence Aluminum Silver Post Cap

Model #328558EB

**\$23.40**  
(\$2.60/item)

Pickup at Lander

Delivering to 98134

#### Pickup

**Today**  
138 in stock  
**FREE**

#### Delivery

**Today**  
138 available

9

Save for Later

Save to Favorites

Remove

Have a question?

Chat with a Home Depot expert.

Live Chat

CHAT NOW



### Everbilt 1-3/8 in. Dia x 10 ft. 6 in. 17-Gauge Galvanized Steel Chain Link Fence Top Rail Post

Model #328913DPTEB

**\$307.44**  
(\$21.96/item)

Pickup at Lander

Delivering to 98134

#### Pickup

**Today**  
215 in stock  
**FREE**

#### Delivery

**Tomorrow**  
215 available

14

Save for Later

Save to Favorites

Remove

### Everbilt 6-1/2 in. 11-Gauge Aluminum Fence Ties (30-Pack)

Model #328554EB



**\$43.85**  
(\$8.77/item)

Pickup at Lander

Delivering to 98134

5

**Pickup**

**Today**

99 in stock

**FREE**

**Delivery**

**Thursday, Apr 13**

1,318 available

**FREE**

[Save for Later](#)   [Save to Favorites](#)   [Remove](#)

### Hermiston (2 items) Curbside Available

### M-D Building Products M-D 6 ft. Privacy Fence Slat Black

Product Height (in.): 68 in



**\$615.79**  
(\$87.97/item)

Pickup at Hermiston

Delivering to 98134

7

**Ship to Store**

**Apr 18 - Apr 19**

2,344 available

**FREE**

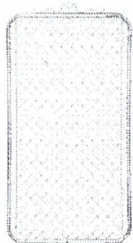
**Delivery**

**Friday, Apr 14**

2,344 available

**FREE**

[Save for Later](#)   [Save to Favorites](#)   [Remove](#)



### Everbilt 42 in. x 72 in. Galvanized Steel Chain Link Fence Walk Gate (Actual Gate Size: 38 in. x 72 in.)

Nominal Gate Width (ft.) x No...

**\$292.00**  
(\$146.00/item)

Pickup at Hermiston

Delivering to 98134

2

**Pickup**

**Today**

3 in stock

**FREE**

**Delivery**

**Monday, Apr 17**

130 available

**FREE**

[Save for Later](#)   [Save to Favorites](#)   [Remove](#)

Have a question?

Chat with a Home Depot expert.

**Live Chat**

**CHAT NOW**

## Delivery

98134 (6 items)

### Everbilt 6 ft. Galvanized Steel Chain Link Fence Tension Bar

Model #328510DPTEB

**\$11.38**

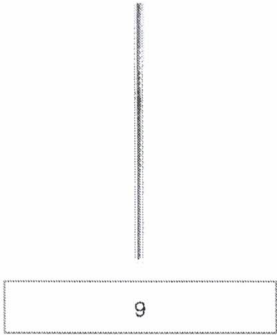
Pickup at Lander

Delivering to 98134

**Pickup**  
**Today**  
 33 in stock  
**FREE**

**Delivery**  
**Tomorrow**  
 842 available

Save for Later    Save to Favorites    Remove



**Everbilt 2-3/8 in. Dia x 8 ft. 16-Gauge Galvanized Steel Chain Link Fence Corner Post**

Model #328944DPTSEB

**\$329.49**  
(\$36.61/item)

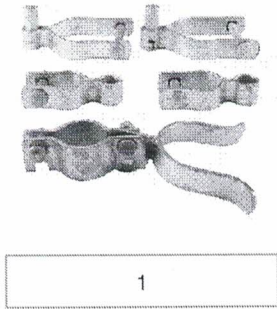
Pickup at Lander

Delivering to 98134

**Pickup**  
**Today**  
 83 in stock  
**FREE**

**Delivery**  
**Tomorrow**  
 2,959 available

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**Everbilt 2-3/8 in. Galvanized Steel Chain Link Fence Walk Gate Hardware Set**

Model #328536EB

**\$29.68**

Pickup at Lander

Delivering to 98134

**Pickup**  
**Today**  
 5 in stock  
**FREE**

**Delivery**  
**Tomorrow**  
 28 available

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**Everbilt 6 ft. x 50 ft. 11.5-Gauge Galvanized Steel Chain Link Fence Fabric**

Model #308706EB

**\$296.00**  
(\$148.00/item)

Pickup at Lander

Delivering to 98134

**Pickup**  
**Today**  
 6 in stock  
**FREE**

**Delivery**  
**Tomorrow**  
 6 available

Save for Later    Save to Favorites    Remove

Have a question?

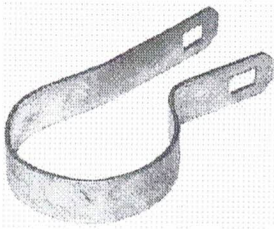
Chat with a Home Depot expert.

**Live Chat**

**CHAT NOW**

**Everbilt 2-3/8 in. Galvanized Steel Chain Link Fence Tension Band**

Model #328524EB



**\$74.50**  
(\$2.98/item)

Pickup at Lander

Delivering to 98134

**Pickup**

**Today**  
219 in stock  
**FREE**

**Delivery**

**Tomorrow**  
2,632 available

25

Save for Later    Save to Favorites    Remove



**Everbilt 5/16 in. x 1-1/4 in. Galvanized Steel Carriage Bolt/Nut (20-Set/Bag)**

Model #328502EB

**\$23.76**  
(\$11.88/item)

Pickup at Lander

Delivering to 98134

**Pickup**

**Today**  
37 in stock  
**FREE**

**Delivery**

**Tomorrow**  
420 available

2

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\* Since we quoted this out we have decided to go with all black fencing so the cost has increased over the 2141.97 I am using today.

<b>Subtotal</b>	<b>\$2,062.97</b>
Pickup	FREE
Delivery	\$79.00
Sales Tax (determined in later step)	---
<b>Total</b>	<b>* \$2,141.97</b>

Have a promo code?

\* Shipping and delivery charges are calculated at the lowest rate available. Other methods will be viewable on the next page.

Checkout



— or —

Live Chat

Have a question?

Chat with a Home Depot expert.

CHAT NOW

**Easy In-Store and Online Returns**

Read our Return Policy



**Get up to \$100 off**

Get a Home Depot Credit Card and receive **\$25** off your purchase of \$25+, **\$50** off purchases \$300+, or **\$100** off orders over \$1,000

Apply Now



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of April 24, 2023

**Title/Subject**

An application for a façade grant has been submitted for property located at 205 S Hwy 395.

**Summary and Background**

The Hermiston Urban Renewal Agency received a façade grant application for improvements to commercial property located at 205 S Hwy 395. The proposed landscape improvements include rock, parking lot lighting, paving, building signs, and a trash enclosure. The estimated budget for the improvements applying for grant reimbursement is over \$95,000. The project is eligible for a match of up to \$20,000 based on the projected budget.

The lot is currently being developed with a coffee shop. A drive-thru and a walk-up window will be available to serve patrons.

**Tie-In to Council Goals**

Urban renewal and downtown revitalization are council goals.

**Fiscal Information**

The project is eligible for up to \$20,000 in matching funds. If awarded, the grant is anticipated to be paid in the 2023-24 fiscal year, in which there is sufficient funds to accommodate the grant.

**Alternatives and Recommendation**

Alternatives

The city council may choose to accept the planning commission recommendation of a 50% match or modify the match percentage.

Recommended Action/Motion

The proposed development and improvements will improve the appearance of the property and downtown. Staff recommends the council accept the planning commission recommendation.

Motion to approve a 50% match for the improvements to 205 S Hwy 395.

Section 14, Item C.

**Submitted By:**

Clint Spencer

Façade Grant Application Review

Applicant Meant 2B Enterprises LLC  
Review Date 04-12-2023

Scoring 0 pts to 10 pts

0 points = Does not meet the criteria  
5 points = Meets most of the criteria  
10 points = Fully meets the criteria

Criteria	Score
Are the proposed improvements designed to contribute to the long-term health of the site and district? For example, landscape improvements are not as durable as masonry.	10
Does the proposal add new aesthetic elements beyond the existing site conditions?	10
Will the proposed improvements enhance the economic well-being of the downtown as well as the site?	10
Are the proposed elements scaled properly for the site and of compatible color and materials for properties within 300 feet?	8
Will the proposed improvements enhance the value of the property and provide a good return on investment for the district?	10
<b>Total</b>	<b>48</b>

The maximum score possible for a grant is 50 points. An application meeting all of the review criteria would be eligible for a full 50% match. An application meeting a portion of the criteria would be eligible for a lesser match percentage. Grants are considered for up to 50% of the project budget up to a maximum award of \$20,000. For example, a \$50,000 project would be eligible for a maximum of \$20,000 match. A \$15,000 project would be eligible for a maximum of \$7,500 match.

Based on the scoring by the committee, grants are awarded using the following percentages:

- 41-50 points: 50% match ~~40~~
- 31-40 points: 40% match
- 21-30 points: 30% match
- 11-20 points: 20% match
- 1-10 points: 10% match



**Façade Grant Application Review**

Applicant Meant 2B Enterprises LLC

Review Date 04-12-2023

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Are the proposed elements scaled properly for the site and of compatible color and materials for properties within 300 feet?	10
Will the proposed improvements enhance the value of the property and provide a good return on investment for the district?	10
<b>Total</b>	<b>50</b>

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**Facade Grant Application Review**

Applicant Meant 2B Enterprises LLC

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Will the proposed improvements enhance the economic well-being of the downtown as well as the site?	10
Are the proposed elements scaled properly for the site and of compatible color and materials for properties within 300 feet?	10
Will the proposed improvements enhance the value of the property and provide a good return on investment for the district?	10
<b>Total</b>	<b>50</b>

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**Façade Grant Application Review**

Applicant Meant 2B Enterprises LLC

Review Date 04-12-2023

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Are the proposed improvements designed to contribute to the long-term health of the site and district? For example, landscape improvements are not as durable as masonry.	3
Does the proposal add new aesthetic elements beyond the existing site conditions?	10
Will the proposed improvements enhance the economic well-being of the downtown as well as the site?	5
Are the proposed elements scaled properly for the site and of compatible color and materials for properties within 300 feet?	5
Will the proposed improvements enhance the value of the property and provide a good return on investment for the district?	5
<b>Total</b>	<b>28</b>

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**Façade Grant Application Review**

Applicant Meant 2B Enterprises LLC

Review Date 04-12-2023

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Criteria	Score
Are the proposed improvements designed to contribute to the long-term health of the site and district? For example, landscape improvements are not as durable as masonry.	6
Does the proposal add new aesthetic elements beyond the existing site conditions?	6
Will the proposed improvements enhance the economic well-being of the downtown as well as the site?	6
Are the proposed elements scaled properly for the site and of compatible color and materials for properties within 300 feet?	6
Will the proposed improvements enhance the value of the property and provide a good return on investment for the district?	6
<b>Total</b>	<b>30</b>

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Commissioner Fialka

**Façade Grant Application Review**

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Review Date 04-12-2023

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Will the proposed improvements enhance the economic well-being of the downtown as well as the site?	10
Are the proposed elements scaled properly for the site and of compatible color and materials for properties within 300 feet?	9
Will the proposed improvements enhance the value of the property and provide a good return on investment for the district?	9
<b>Total</b>	48

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 Review Date 04-12-2023

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Criteria	Score
Are the proposed improvements designed to contribute to the long-term health of the site and district? For example, landscape improvements are not as durable as masonry.	8
Does the proposal add new aesthetic elements beyond the existing site conditions?	10
Will the proposed improvements enhance the economic well-being of the downtown as well as the site?	8
Are the proposed elements scaled properly for the site and of compatible color and materials for properties within 300 feet?	8
Will the proposed improvements enhance the value of the property and provide a good return on investment for the district?	7
<b>Total</b>	<b>41</b>

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