



CITY COUNCIL

AGENDA

MONDAY, DECEMBER 08, 2025

COUNCIL CHAMBERS - 180 NE 2ND ST.

Where Life is Sweet

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

Zoom with Meeting ID: 829 0043 5622 Passcode: 417097 Telephone number to join is: 1 253 215 8782; or submitting comments to meetings@hermiston.gov

For written electronic public comments to be part of the official record, sender must provide their full name and place of residence and comments must be received within the time frame given for the item under discussion. The City Recorder will respond/confirm to sender that their electronic comment was received and will be made part of the record; or, if their electronic comment is not able to be made part of the record, the City Recorder will respond to the sender and state the reason(s) why.

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

2. DECLARATION OF QUORUM

3. FLAG SALUTE

4. 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.

5. CONSENT AGENDA

A. Committee Vacancy Announcements

B. Parks and Recreation Advisory Committee Appointment Confirmation to Stephanie Hughes to Position #5 for a 3-year term expiring 10/31/2028

C. Parks and Recreation Advisory Committee Appointment Recommendation to Helen Nevin to Position #6 for a 3-year term expiring 10/31/2028

D. Recreation Projects Fund Advisory Committee Reappointment Recommendation to Helen Nevin to Position #1, Representing Citizens At-Large for a 3-year term expiring 12/31/2028

E. Minutes of the November 24th City Council Regular Meeting

F. Minutes of the November 24th Solid Waste & Curbside Recycling Advisory Committee Meeting

6. ITEMS REMOVED FROM CONSENT AGENDA

7. ORDINANCES AND RESOLUTIONS

A. Ordinance No. 2377- Umatilla Electric Cooperative Franchise

B. Resolution No. 2398- Eliminate Economic Development Incentive Program Related to Electric Utility Franchise Fees and Repeal

C. Resolution No. 2399- Airport Agricultural Ground Lease

D. Resolution No. 2400 – Adoption of IGA for IT Services with the Umatilla Hospital District

8. OTHER

A. November 2025 Monthly Financial Report

9. 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 Accountability, Public Safety, Public Infrastructure, Transit Planning, EOTEC, Stepping Stones Alliance (not a City Committee)

B. Mayor's Report

C. Council President Report

D. Council Report

E. Youth Advisory Report

F. Manager's Report

10. ADJOURN

**** 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.



PUBLIC ANNOUNCEMENT

The City is accepting applications for the following Committees:

1. Budget Committee

- Positions 1 & 2: 3-year term ending December 31, 2028 (Advertised 09/23/2025)
- Position 4: Remaining 3-year term ending December 31, 2026 (Advertised 10/14/2025)

2. Recreation Projects Fund Advisory Committee

- Position 1, Representing Citizens at Large: 3-year term ending December 31, 2028 (Advertised 09/23/2025)

3. Parks and Recreation Committee

- Position 6: 3-year term ending October 31, 2028 (Advertised 06/18/2025)

4. Airport Advisory Committee

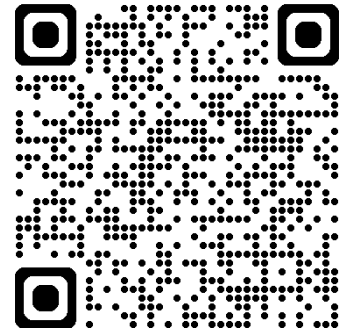
- Position 2: Remaining 3-year term ending October 31, 2026 (Advertised 11/08/2024)

5. Hispanic Advisory Committee

- Position 1: Remaining 3-year term ending June 30, 2026 (Advertised 11/17/2025)

Deadline to apply for Committees: Open Until Filled

Applications and more information about these and all other City Committee's, Board's, and Commission's can be found on the City's website at: <https://hermiston.or.us/volunteer> or by using the QR Code. Have questions or are interested in applying? Reach out to Lilly Alarcon-Strong at: City Hall, 180 NE 2nd Street, Hermiston, at lalarcon-strong@hermiston.gov, or at 541-567-5004.



Proposed appointment(s) and confirmation(s) 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 \$20,000 or more in any one calendar year. Preference for appointees shall be given to city residents.



CITY COUNCIL

Regular Meeting Minutes November 24, 2025

Mayor Primmer called the regular meeting to order at 7:00pm. Present were Councilors Hayward, Roberts, McCarthy, Duron, and Kelso. Councilors Myers, Linton, and Barron were excused. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Chief Jason Edmiston, and City Recorder Lilly Alarcon-Strong. Also present was Student Advisor Jacquelyn Quevedo. The pledge of allegiance was given.

Presentation: Faith-Based Advisory Committee- Food Insecurity Information

Faith-Based Advisory Committee (FBAC) Chair Dan Mahon gave information regarding the Food Insecurity Group formed through the FBAC that is made up of many diverse groups of people, community organizations, and churches with the intent of securing food for those in need. Currently free meals are provided three days per week in the community, and this Food Insecurity Group is hoping to help establish free meals for the other two days through community partnerships and volunteers. Through these partnerships, the Hermiston High School FCCLA Club has helped Oasis Vinyard Church pack over seven hundred pounds of beans, rice, and oatmeal for distribution at Agape House and Euvalcree Food Pantry. Mr. Mahon gave an invitation to any person/organization who would like to join the list serve of the Food Insecurities meetings to please reach out to him via email at oasishermiston@gmail.com and stated additional information can also be found at feedhermiston.org.

Agape House Executive Director Mark Gomolski spoke regarding the decrease in food being received at Agape House as food insecurity has increased throughout the country and area driving the Agape House to purchase the additional food they need to feed community members. Currently on a monthly average, the Agape House provides food for over 1,000 families, 250 homeless individuals, and 275 students weekly through the Backpack Program. The need is great, and resources are dwindling. Mr. Gomolski asked that the community consider donating and gave his thanks to businesses who have food drives supporting the Agape House.

Mayor Primmer thanked all those involved in helping to provide food for those in need.

Presentation: My Hermiston App

Pac/West Lobby Group Chief Communications Officer, Daniel Wattenburger, presented (PowerPoint Presentation attached) information on the City's newest public communication system, an App and desktop access called [My Hermiston](#) which can be used by the public to connect with city services, report issues, and stay informed about what's happening in the community and showed how the app works.

Citizen Input on Non-Agenda Items

Luke Dynes- Stated he has been a community business owner for about 25 years processing recovery for animal feed and is currently working with the County to permit a compost facility between Hermiston and Pendleton off exit 193. This public meeting will be held tomorrow for those who would like to attend. Mr. Dynes stated he had questions regarding the Recycling mandate.

Mayor Primmer stated his comments and questions should be shared during Resolution No. 2397 when this item is being presented and discussed.



CITY COUNCIL

Regular Meeting Minutes November 24, 2025

Rose Thomas, 83 W Cherry- Spoke regarding her frustration with the lack of attention the City is giving to her neighbor Chris Cooley's property, stating she has had many meetings with City officials regarding this property as it continues to be a place of violence, homeless encampment, dumping grounds, using the yard as a toilet, parking in her yard, having an abundance of traffic in and out of the house, and sees frequent arrests being made. These issues reach far beyond the scope of being a nuisance and the situation is getting worse by the day and would like the City to do something about it, or she will pursue legal action against the City. Mayor Primmer stated this issue is being handled by the City Manager's Office and Police Department.

Consent Agenda Items

Councilor McCarthy moved, and Councilor Hayward seconded to approve Consent Agenda items A-K, to include:

- A. Committee Vacancy Announcements
- B. Faith-Based Advisory Committee Reappointment Confirmation to Dan Mahon to Position #5, for a 3-year term expiring 12/31/2028 1
- C. Eastern Oregon Trade & Event Center Advisory Committee Appointment Confirmation to Cari Shafer to Position #7, At-Large, for a 3-year term expiring 06/30/2028
- D. Airport Advisory Committee Reappointment Confirmation to Jesse McCormach to Position #5, for a 3-year term expiring 10/31/2028
- E. Recreation Projects Fund Advisory Committee Reappointment Confirmation to Val Hoxie to Position #2, Representing the Chamber of Commerce for a 3-year term expiring 12/31/2028
- F. Parks and Recreation Advisory Committee Appointment Confirmation to Carlisle Harrison to Position #4 for a 3-year term expiring 10/31/2028
- G. Budget Committee Reappointment Confirmation to Rod Hardin to Position #3 for a 3- year term expiring 12/31/2028
- H. Parks and Recreation Advisory Committee Appointment Recommendation to Stephanie Hughes to Position #5 for a 3-year term expiring 10/31/2028
- I. Minutes of the November 10th City Council Regular Meeting
- J. Replat- Umatilla County Housing Authority 4N2811CD Tax Lot 100 - 588 E Newport Ave
- K. Gettman Road OSU Temporary Access License

Motion carried unanimously with Councilors Hayward, Roberts, McCarthy, Duron, and Kelso voting in favor.

October 2025 Monthly Financial Report

Councilor Hayward moved and Councilor McCarthy seconded to accept the October Monthly Financial Report as presented (PowerPoint Presentation attached) by City Manager Smith and Assistant City Manager Morgan. Motion carried unanimously with Councilors Hayward, Roberts, McCarthy, Duron, and Kelso voting in favor.

Resolution No. 2397- Master Fee Schedule: Recycling Rate

Assistant City Manager Morgan reviewed information from the agenda packet and gave additional information (PowerPoint Presentation attached) regarding the "Recycling Modernization Act" a 2021 Oregon legislative approved Bill which requires cities with a population of more than 4,000 to offer curbside recycling, as well as addressing questions that arose from this topic at the November 10th City Council meeting, and adding an option for a 15% discount for low-income residents as requested by the Council.



CITY COUNCIL

Regular Meeting Minutes November 24, 2025

Councilor Roberts asked if the City could charge the low-income rate of \$6.80 per month across the board to all residents forgoing the City's 15% fee instead of charging \$8.00 per month and asked if additional staff would need to be hired to absorb the additional workload for this program.

Assistant City Manager Morgan stated the Council could adopt the rate of \$6.80 per month for everyone but recommends against it as all surrounding communities will be charging \$8.00 per month; additional staff is not being hired immediately but could be in the future once the workload has been established.

Mayor Primmer asked if all materials are purchased during the recycling process.

Assistant City Manager Morgan stated some recycling items are while others are not.

Public Comment

Luke Dynes- Stated he believes in residential franchises and knows Waste Connections does a good job providing services as he works directly with them, Waste Management, and Republic. However, he is concerned that the largely low-income community will be struggling to pay the new \$8.00 recycling fee on top of the 37% increase they've seen in garbage service during the last two years. His business makes a profit selling recycled cardboard so he knows Waste Connections will also be making a profit doing this on top of the profit they'll receive from providing this service to the community and asked that the City and constituents have access to see the rebate Waste Connections will be receiving and have it applied as a discount to the \$8.00 per month fee or just negotiate this rate down. Asked that the City look further into other options as Waste Connections website states they focus on rural communities because they are profitable, with billions in revenues, and are easy to control.

Krista Van Veen, 764 W Alder Ave- Thanked Assistant City Manager Morgan for all the information stating her family moved to Hermiston from Portland five years ago and was surprised that the City did not offer curbside recycling. Recycling is good for everyone, it helps all of us pay attention to what is being thrown away, what can be recycled, and encourages all of us to have less overall waste. Mrs. Van Veen stated she is supportive of the passage of this resolution.

The Council thanked Assistant City Manager Morgan for the detailed information and spoke regarding their discontent with yet another unfunded state mandate regardless if it's for a good cause, stating they are not against recycling or Waste Connections making a profit, their frustration is with the west-side of the state being out of touch with this region and forcing communities to comply with mandates that require additional fees. Councilor Roberts stated he will be voting against the resolution as a symbolic gesture against unfunded mandates although he understands that DEQ could come down hard on the City. Councilor Kelso agreed stating he will only vote in favor of the resolution because the City and its constituents cannot afford to pay the estimated DEQ fines.

After further discussion, Councilor McCarthy moved and Councilor Duron seconded to adopt Resolution No. 2397 and lay upon the record. Motion carried 4-1, with Councilors Hayward, McCarthy, Duron, and Kelso in favor; and Councilor Roberts against.



CITY COUNCIL

Regular Meeting Minutes November 24, 2025

Recess for Executive Session and Reconvene for Resolution No. 2397- Master Fee Schedule: Recycling Rate

Mayor Primmer announced that because Resolution No. 2397 was adopted there was no need to recess or reconvene for Executive Session.

Committee Reports

Solid Waste and Curbside Recycling Advisory Committee- Councilor McCarthy stated this Committee met prior to the City Council meeting and thoroughly reviewed curbside recycling services and rates.

Parks and Recreation Advisory Committee- Councilor Duron stated the Committee finally had a quorum and were able to discuss and hear information regarding: the renaming of the Basketball Courts where the Committee asked Parks and Recreation for additional information prior to making a naming recommendation, budget, Parks and Recreation employee openings, AED's recently installed at popular recreation sites, Welcome sign by the Airport, and the need for volunteers on Festival Street for the Tree Lighting event.

Hispanic Advisory Committee- Councilor Duron and Kelso stated the Committee heard updates from the Department of Human Services regarding SNAP benefits, Euvalcree's Food Pantry, City Manager Smith with community updates, spoke regarding events HAC participated in and organized to include: The Hispanic Heritage Month Celebration and Dia de los Muertos. The newest member of the Committee recently resigned, and the committee continues to work on its goal to increase the Latino vote.

Library Board- Councilor Roberts stated the Board heard updates and information regarding building renovations, entry level job opening, and strategic planning for the new building. The meeting had six members of the public in attendance, including middle schoolers, which was great to see.

Charter Review Committee- Mayor Primmer stated the Committee reviewed met and reviewed Chapters 1-3 and will continue with Chapter 4 at their next December meeting.

Public Finance Committee- Mayor Primmer stated the Committee held their first meeting earlier this month and discussed how they want to proceed going forward.

Mayor's Report

Mayor Primmer spoke regarding:

- Several ribbon cutting and open house events
- December 4th Tree Lighting Parade and Event on Festival Street

Council Presidents Report

Councilor McCarthy spoke regarding:

- Holiday Market put on by the Parks and Recreation Department
- Festival of Trees Event

Council Reports

Councilor Hayward spoke regarding his attendance at the Monte Vista Open House and the impressive work the Hermiston High School Woodshop Class did helping build a custom-built playhouse and congratulated Street Superintendent Ron Sivey on retiring and thanked him for his years of service to the City.

Councilor Roberts stated he had the honor of attending a ceremony presenting Retired U.S. Marine Corps Veteran Sergeant Jason Walker with a mortgage-free home in Hermiston from the Tunnel to Towers Foundation in honor of his sacrifice and service.



CITY COUNCIL

Regular Meeting Minutes November 24, 2025

Councilor Kelso stated tickets for the Festival of Trees Event are sold out but encouraged the public to attend the free Family Event at the Community Center on December 7th from 11am to 3pm which will include family friendly games, cookies, and other activities.

Councilor Duron and Mayor Primmer thanked Street Superintendent Ron Sivey on his dedicated service to the community and the Hermiston Police Department, community organizations, and volunteers who help make the Christmas Express Annual Event a success for those in need.

Mayor Primmer stated he recently attended the City of Echo City Council meeting.

Youth Advisory Report

Jacquelyn Quevedo gave information regarding the School District's canned food drive, National Honor Society toy run where the public is encouraged to donate toys for kids at Hermiston High School, Performing Arts musical Grease starting in January, as well as basketball and wrestling information.

Manager's Report

City Manager Smith thanked the Hermiston School District for allowing him the opportunity to teach two full days of civic classes to all seniors, stating he has a new profound respect for teachers.

Adjourn

There was no other business and Mayor Primmer adjourned the regular City Council meeting at 9:10pm.

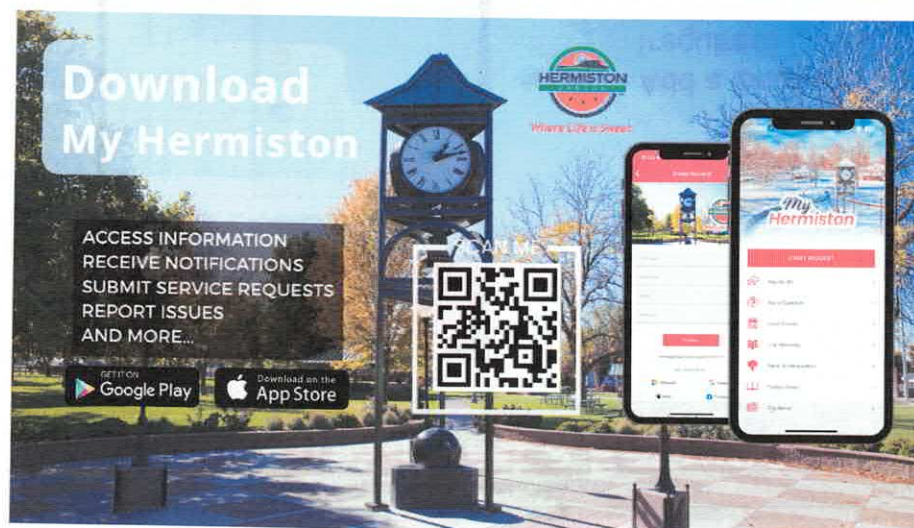
SIGNED:

Doug Primmer, Mayor

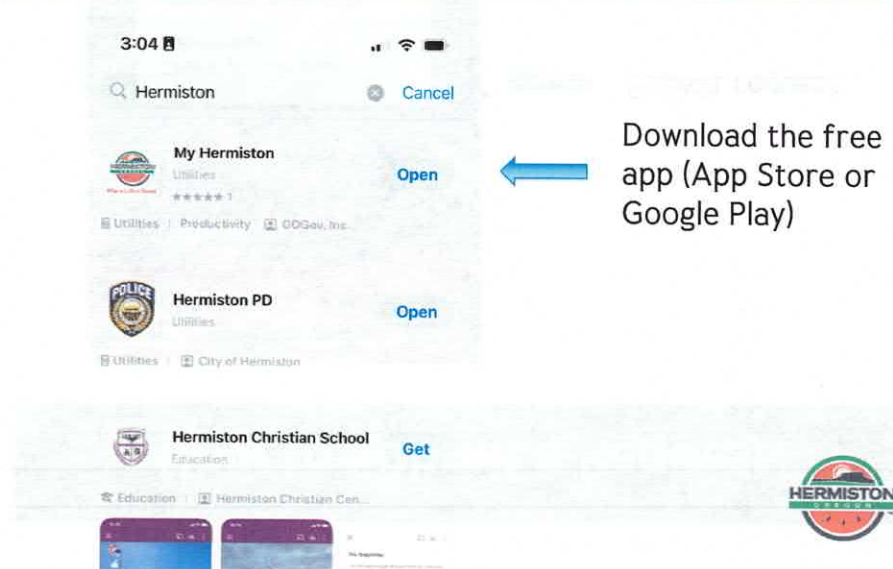
ATTEST:

Lilly Alarcon-Strong, CMC, City Recorder

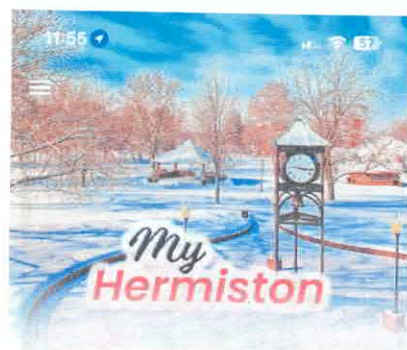
Introducing My Hermiston App



How to Use My Hermiston App

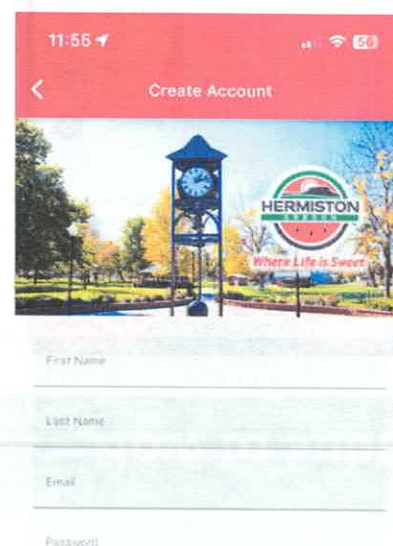


How to Submit a Request



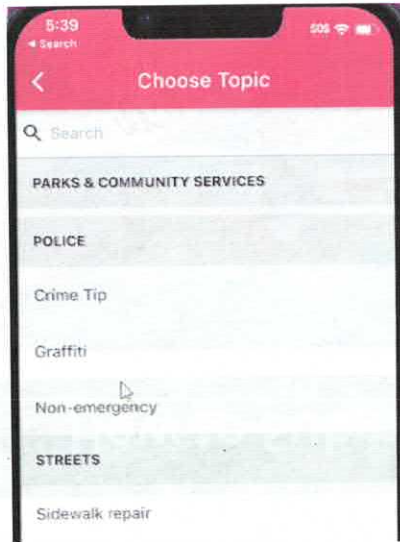
Open app and click
"Start Request"

How to Submit a Request



Create an account

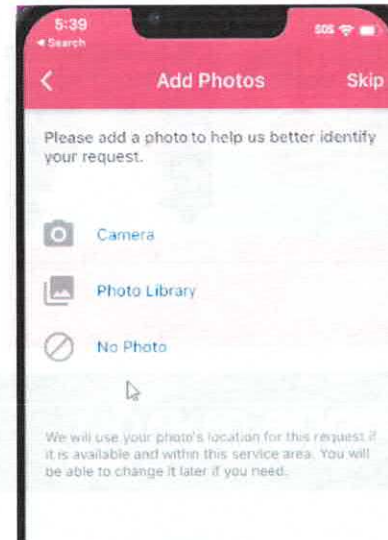
How to Submit a Request



← Select a topic



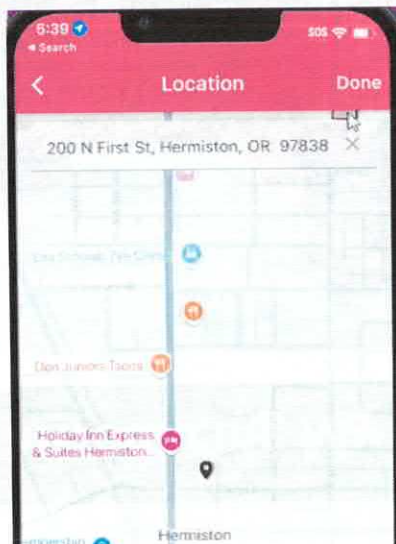
How to Submit a Request



← Add a photo (optional)



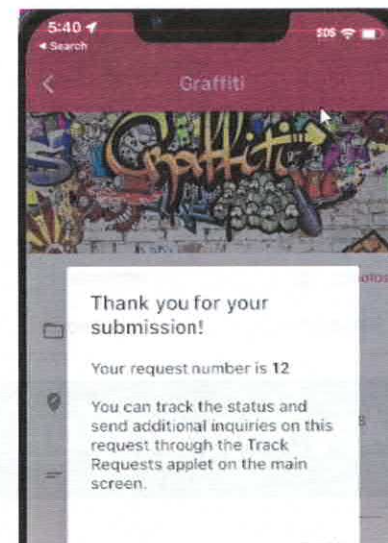
How to Submit a Request



← Add a location (required)



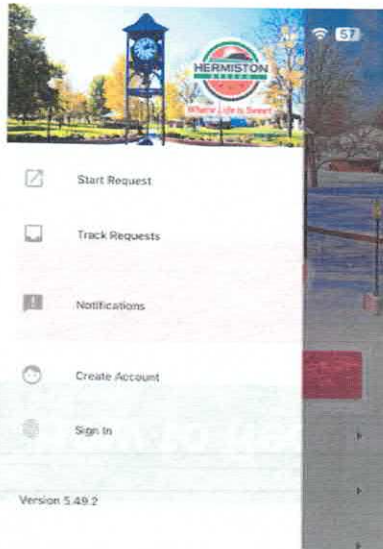
How to Submit a Request



← Submit request



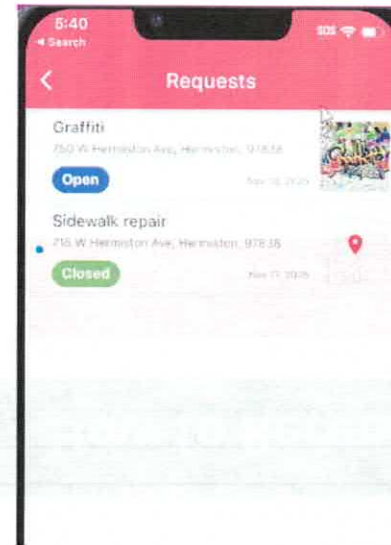
How to Follow a Request



Select "Track Requests"



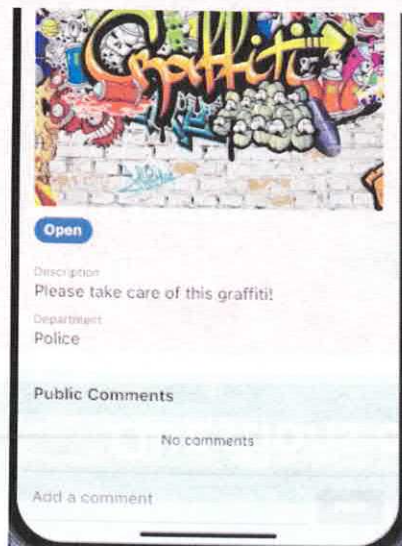
How to Follow a Request



Select one of your submitted requests



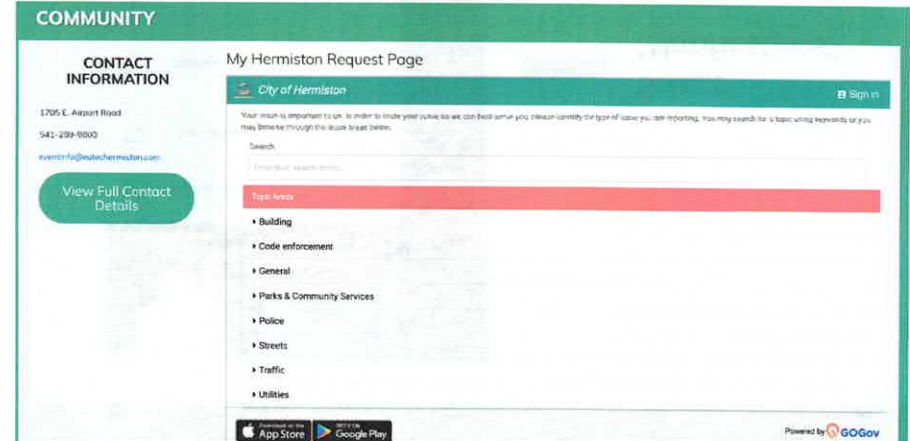
How to Follow a Request



Review updates



Desktop Portal



Hermiston.gov/MyHermiston



Questions on Requests?

Download My Hermiston

- Access Information
- Report Issues
- Receive Notifications
- And more...

SCAN TO DOWNLOAD →

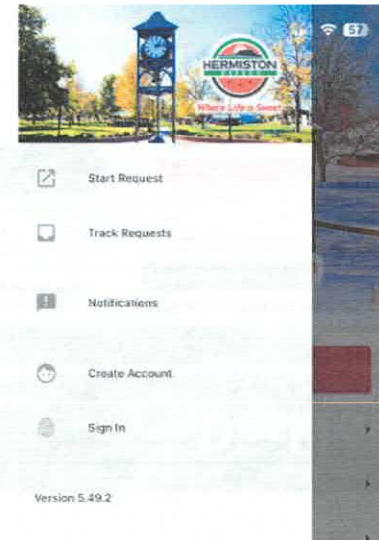
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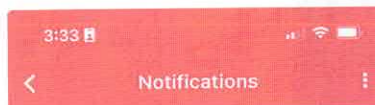
How to Receive Notifications



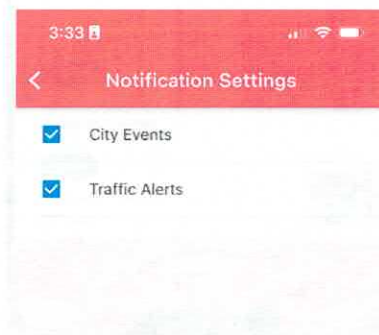
Select
"Notifications"



How to Receive Notifications



Select "Settings"



Check or uncheck
notifications

No notifications yet



Questions on Notifications?

Download My Hermiston

- Access Information
- Report Issues
- Receive Notifications
- And more...

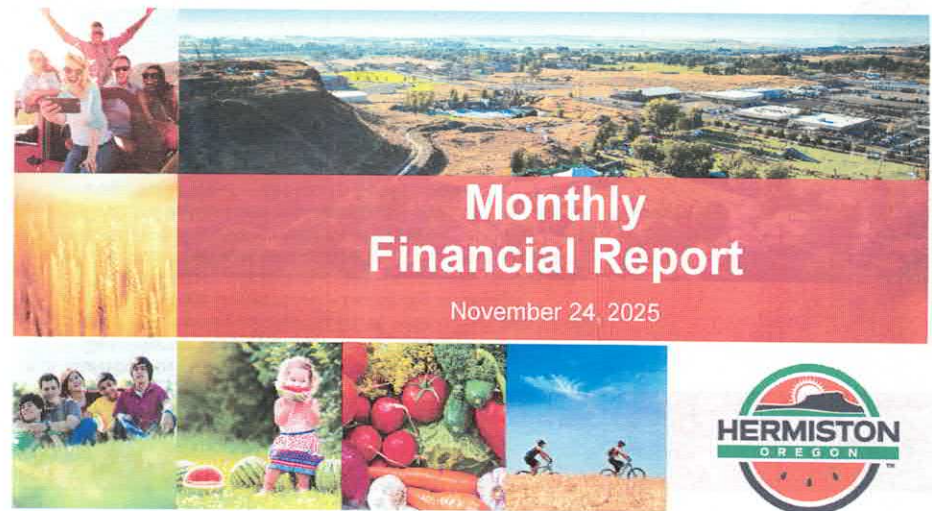


SCAN ME



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Hermiston Urban Renewal Agency (HURA)

- Hermiston URA split in four funds for fiscal year – General, Downtown, North and South.
- North Hermiston Urban Renewal Area – ROW appraisals complete with anticipated bidding this winter.



General Fund

- Third month (or 33.0%) of 2025-26 fiscal year
- Monthly Revenues ended over projection by ~\$188k
 - **Primarily due to franchise revenues**



General Fund

- Monthly Expenses were over projection by ~\$1.55 million
 - Primarily due transfer of building funds to newly created building inspection fund (~\$2.7 million)
 - City Council, Airport and Non-Departmental are over budget due to annual LOC membership, capital outlay, and transfer to building inspection fund, respectively.
 - Parks, Parks Utility, Pool and Recreation are over budget due to seasonal activities.



Special Revenue Funds

- Observations:
 - New Building Inspection fund activity included in special revenue summary
 - EOTEC revenues do not reflect reimbursement from campground project



Utility and Street Funds

- Observations
 - Street Fund is ~\$36k below projected revenues due to timing of federal gas tax turnovers



Capital Projects

- A number of projects in design:
 - Geer/Harper Realignment- in full design
 - N. 1st Sidewalk (additional ROW with UPRR has begun)
 - RWS Backup Generators – currently in design
 - Well #6 Chlorination Structure – currently in design
 - Lift Station #5 wet well upgrades – design to begin
 - E. Evelyn Avenue gravity sewer line – design to begin
 - Orchard Water Line replacement – preliminary design underway
 - Dogwood Street – design to begin soon
- Aquifer Storage/Recovery – shifting to construction of well, pump and structures
- Well #4 Controls –project to 'commence' after peak season
- TBD (budgeted and part of CIP):
 - SE 10th Street Bridge and Lift Station #7



Capital Projects

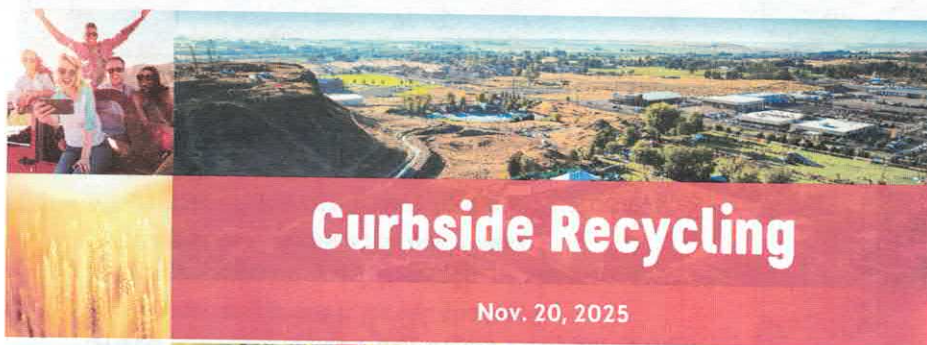
- Hangar Replacement – Building substantially complete. Punchlist items.
- Library – Building is open, working through punch list
- Sherman Park – design complete; ready to bid
- Public Safety Center – Interior work continues, parking lot paving complete



Discussion

Questions?

Where Life is Sweet™



Curbside Recycling

Nov. 20, 2025



Summary

- Establishes \$8/mo fee for Curbside Recycling
 - **Same as Presented on 11/10/25**
- \$6.80/mo fee for Qualifying Low-Income Customers





Main Topics from Last Meeting

- State law mandates curbside recycling now
 - **Can we just ignore it (break the law)?**
- Sanitary Disposal is a for-profit private company
 - **What does this mean for our rates?**
- Alternative Rate for Lower Income Customers
 - **Can it be done?**



Curbside Mandate: Semantics

- Curbside "Opportunity to Recycle" has been law since '80s
- Hermiston has been granted an "alternative" permit
 - **Distance to markets**
 - **Depots & other requirements**
- 2021 RMA eliminated need/ability for alternative permit
 - **Effectively mandated curbside**



Curbside Mandate: Semantics

- "Shared Responsibility" Model
 - **Producers must share cost of recycling materials**
- Covering cost of "actual" recycling
 - **Hauling to End-Markets**
 - **Cost of Trucks/Carts/etc.**
 - **Hermiston earmarked for: \$1.35M**



Curbside Mandate: Semantics

- "Shared Responsibility" Model
 - **Producers must share cost of recycling materials**
- Local customers cover local choice costs
 - **Labor to collect**





Curbside Mandate: Semantics

- "Funded Mandate"
- Although it Increases cost on City...
- ...Producers contributing \$1.35M to Hermiston
 - Trucks, Carts, Etc.



What if we just break the law?

- Good Game-Theory
- Fines likely to cost customers extra \$126/Month (\$1,512/yr)
- Possible Civil Suit from residents who are denied recycling



Break the Law: Fines

- Requirement of City (not Sanitary Disposal)
- Fines will be on City of Hermiston
 - \$500/day = \$183,000/yr (Optimistic Scenario)
 - \$25,000/day = \$9,125,000/yr (Realistic Scenario)



Break the Law: Staff Costs

- Staff Time (City Manager, Asst. City Manager, City Attorney)
 - Responding to DEQ
 - \$30,000+
 - Opportunity Cost (Diverted from Other Council Priorities)





Break the Law: Other Costs

- \$70,000+
- Outside Legal Counsel
- Lobbyists to Monitor Legislature
 - **2027 Legislature likely to close any "loophole"**
 - **80 of 87 impacted cities already have curbside (92%)**
 - **Those without: Almost all located in 3 out of 90 Legislative Districts**



Apples to Apples Cost

- Fines (minimum): \$183,000
- Other Costs: \$100,000+
- Total Annual Cost: \$283,000+



Apples to Apples Cost

- Fines (minimum): \$183,000
- Other Costs: \$100,000+
- Total Annual Cost: \$283,000 / 6,000 Customers = \$47.17
\$3.93/mo



Apples to Apples Cost

- Fines (minimum): \$183,000
- Other Costs: \$100,000+
- Total Annual Cost: \$283,000 / 6,000 Customers = \$47.17
\$3.93/mo

No Extra
Service



Apples to Apples Cost

\$8/mo Recycling Service		\$3.93/Mo Fines
\$29.05	Monthly Garbage (390 gallons)	\$29.05
\$8.00	Monthly Recycle Service (205.8 gallons)	\$0.00
\$0.00	Fines & Legal Expenses	\$3.93
\$37.05/mo	Total Cost	\$32.98
\$0.06/mo	Cost Per Gal. Solid Waste Removed	\$0.09/mo



Break the Law: Realistic Fines

- \$25K/day = \$9,125,000/yr



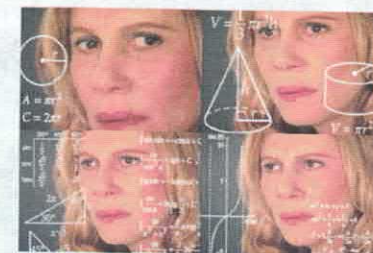
Break the Law: Realistic Fines

- \$25K/day = \$9,125,000/yr / 6,000 Accounts = \$1,520/yr
- Per Customer
 - \$1,520/yr
 - \$126/mo



What if we just break the law?

- Fun to Daydream
- Harsh Reality
- Agitate Large Amount of Constituents who want Curbside





HERMISTON Solid Waste Collection Options







HERMISTON Private vs Public Models

- Solid Waste is a Fundamental public health service
- Even minor disruptions create major problems



HERMISTON Private vs Public Models

- Local Governments can provide service themselves (public)
- Challenges
 - Scale/cooperation
 - Public Sector Pay/Benefits
 - Public Sector Unions

HERMISTON Private vs Public Models

- Private Sector can do
- Challenges
 - Capital (risk)
 - Competition (risk)



Prevailing Model: Private

- Governments mitigate risk with "Exclusive Franchise"
- Protects Private Vendor from competition
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 - Solvent provider prevents service disruption (piles of trash)



Sanitary Disposal/Waste Connections

- Purchased local Sanitary Disposal ~2022
- Local owners cashed-out due to escalating cost of regulatory compliance
- Very few "mom & pop" collectors remain



Sanitary Disposal/Waste Connections

- Locally service:
 - Hermiston
 - Umatilla
 - Boardman
 - Stanfield
 - Echo
 - Pendleton... "coming soon!"



Sanitary Disposal/Waste Connections

- Critical Infrastructure
 - Transfer Station (6 min.)
 - Finley Butte Landfill





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 - Finley Butte Landfill (36 min.)
 - 60 miles round-trip
 - 1.5 hr+
 - 20 gal. Diesel



Municipalization Example

- Cheney, WA (2011)
- Pop. 13,000 (60% "congregate housing")
 - **More Dumpsters, fewer individual carts**
- 26 Mile Round-Trip to Ultimate Disposal
- No Transfer Station Operations or Debt
- Isolation = less profit for private operator & little pressure on City



Complexity of Decoupling Recycling

- Existing Franchise is Rolling 5-Year Term
- Buy-Out Waste Connections?
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 - **Waste Management**
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City Service in Hermiston?

- Admin. Overhead
- Public Employees
- Only own Collections, not disposal
- Lack of Scale (only 6,000 accounts to cover)

- Admin
- Maintenance
- Etc.



Regional Impacts

- Hermiston "poaches" highest value accounts (density)
- Low Density surrounding communities would see cost increases
- Fewer accounts served per hour



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- Hermiston, Umatilla, Um. Co., Stanfield, Echo
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Summary

- For-Profit Vendors fill a critical role
- Public Options carry risk/cost
- For-Profit vendor may be lowest cost
- Recommendation: Not worth testing





Low-Income Rate Assistance

- \$8/mo regular service
- \$6.80/mo: Low-Income Rate Assistance
 - **15% Discount**
 - **General Fund Subsidy**



Who Pays?

- Sanitary Disposal Revenue: City Keeps 15%
 - **11% Front Desk/Billing Staff, billing costs**
 - **3.5% Franchise Fee- Un-Restricted General Fund Revenue**
 - **0.5% "Spring Cleaning" Event**
- Waive City's 15% Markup Allows for Service at-cost



15% Overhead Revenue?

- Price Elasticity: Some Customers will downsize garbage
- Extra costs
 - **Calls/walk-in questions at front counter, missed pickups, etc.**
 - **DEQ Compliance is more complicated = staff time**
 - **Extra service to explain during rate requests**
 - **This 2nd Staff Report/Presentation cost ~\$2,000 in staff time**



City-Paid Low-Income Assistance

- 2019 City Council Policy
- Challenging to deploy across 6,000 accounts
- Balancing Act
 - **Prevent Fraud or Abuse**
 - **Serve those who it's intended**





City-Paid Low-Income Assistance

Service	Other Rate-Payer Subsidy	
	Monthly	Annual
Recycling Service (15% Discount)	\$1.20	\$14.40
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Water Service (50% Base)	\$17.96	\$215.52
Total per Beneficiary	\$43.19	\$518.28



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Total for 50 Beneficiaries	\$2,159.50	\$25,914.00
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Summary

- Can we just break the law?
 - **Sure. Likely cost each household/rate payer ~\$1,500/yr**
- Cost of Service Through For-Profit Vendor?
 - **Best Option we Have.**
- Alternative Rate for Lower Income Customers
 - **15% discount covered by other rate-payers**





Solid Waste & Curbside Recycling Advisory Committee Meeting Minutes

November 24, 2025

Assistant City Manager Mark Morgan called the meeting to order at 6:00pm. Councilors McCarthy and Hayward were in attendance, as well as City Manager Byron Smith, Police Chief Jason Edmiston, and City Recorder Lilly Alarcon-Strong.

Review Curbside Recycling Information and Rates

Assistant City Manager Mark Morgan presented (PowerPoint Information attached) regarding the "Recycling Modernization Act" a 2021 Oregon legislative approved Bill which requires cities with a population of more than 4,000 to offer curbside recycling, as well as addressing questions that arose from this topic at the November 10th City Council meeting, and adding an option for a 15% discount for low-income residents as requested by the Council.

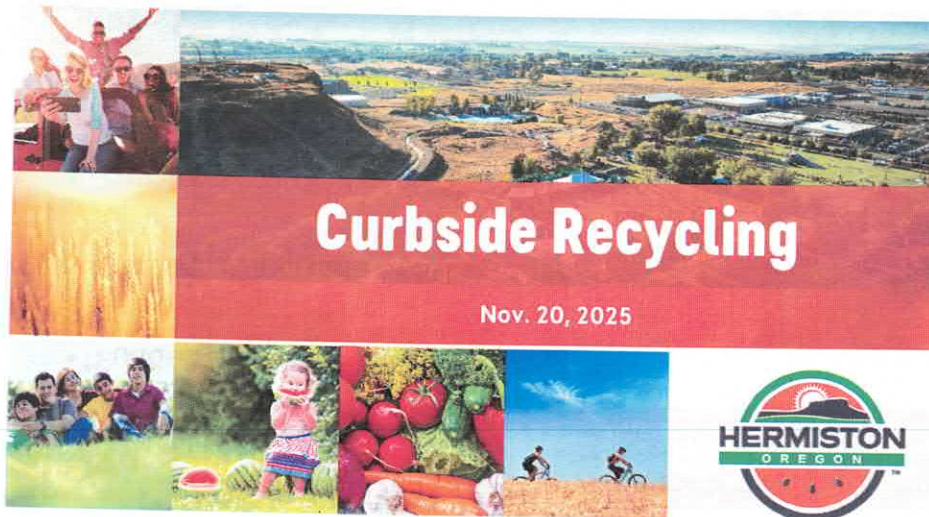
Councilor McCarthy asked if there would be fees imposed for people who do not follow through with recycling requirements.

Assistant City Manager Morgan stated Kevin Miracle with Waste Connections dba Sanitary Disposal would be the best person to answer this question during the City Council meeting; however, in discussions with him regarding this issue, the City believes Sanitary Disposal will be doing a more Education vs Fines policy because at the end of the day, they do not want recycling to be contaminated with waste.

Public Comment was not taken due to timing of the 7:00pm City Council meeting.


Adjourn

There were no other items of discussion, and the meeting was adjourned at 6:56pm.



Curbside Recycling

Nov. 20, 2025




Summary

- Establishes \$8/mo fee for Curbside Recycling
 - Same as Presented on 11/10/25
- \$6.80/mo fee for Qualifying Low-Income Customers



Main Topics from Last Meeting

- State law mandates curbside recycling now
 - Can we just ignore it (break the law)?
- Sanitary Disposal is a for-profit private company
 - What does this mean for our rates?
- Alternative Rate for Lower Income Customers
 - Can it be done?



Curbside Mandate: Semantics

- Curbside "Opportunity to Recycle" has been law since '80s
- Hermiston has been granted an "alternative" permit
 - Distance to markets
 - Depots & other requirements
- 2021 RMA eliminated need/ability for alternative permit
 - Effectively mandated curbside





Curbside Mandate: Semantics

- “Shared Responsibility” Model
 - Producers must share cost of recycling materials
- Covering cost of “actual” recycling
 - Hauling to End-Markets
 - Cost of Trucks/Carts/etc.
 - Hermiston earmarked for: \$1.35M



Curbside Mandate: Semantics

- “Shared Responsibility” Model
 - Producers must share cost of recycling materials
- Local customers cover local choice costs
 - Labor to collect



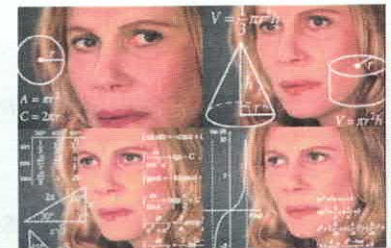
Curbside Mandate: Semantics

- “Funded Mandate”
- Although it Increases cost on City...
- ...Producers contributing \$1.35M to Hermiston
 - Trucks, Carts, Etc.



What if we just break the law?

- Good Game-Theory
- Fines likely to cost customers extra \$126/Month (\$1,512/yr)
- Possible Civil Suit from residents who are denied recycling





Break the Law: Fines

- Requirement of City (not Sanitary Disposal)
- Fines will be on City of Hermiston
 - \$500/day = \$183,000/yr (Optimistic Scenario)
 - \$25,000/day = \$9,125,000/yr (Realistic Scenario)



Break the Law: Staff Costs

- Staff Time (City Manager, Asst. City Manager, City Attorney)
 - Responding to DEQ
 - \$30,000+
 - Opportunity Cost (Diverted from Other Council Priorities)



Break the Law: Other Costs

- \$70,000+
- Outside Legal Counsel
- Lobbyists to Monitor Legislature
 - 2027 Legislature likely to close any "loophole"
 - 80 of 87 impacted cities already have curbside (92%)
 - Those without: Almost all located in 3 out of 90 Legislative Districts



Apples to Apples Cost

- Fines (minimum): \$183,000
- Other Costs: \$100,000+
- Total Annual Cost: \$283,000+





Break the Law: Realistic Fines

• \$25K/day = \$9,125,000/yr / 6,000 Accounts = \$1,520/yr

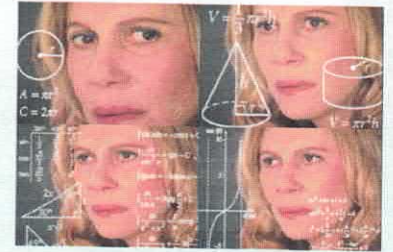
• Per Customer

- \$1,520/yr
- \$126/mo



What if we just break the law?

- Fun to Daydream
- Harsh Reality
- Agitate Large Amount of Constituents who want Curbside



Solid Waste Collection Options



Private vs Public Models

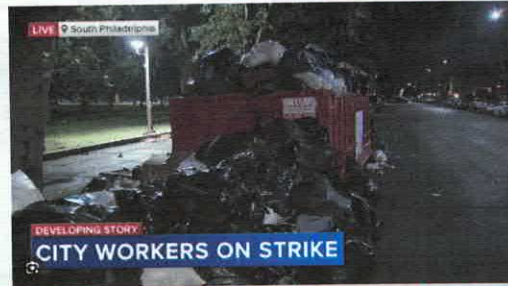
- Solid Waste is a Fundamental public health service
- Even minor disruptions create major problems





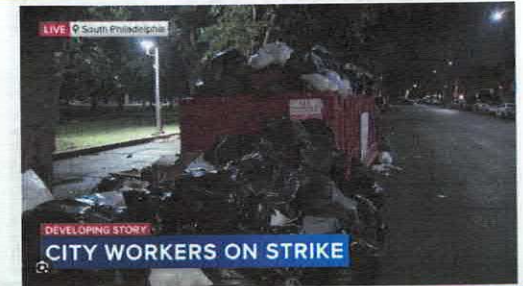
Private vs Public Models

- Local Governments can provide service themselves (public)
- Challenges
 - Scale/cooperation
 - Public Sector Pay/Benefits
 - Public Sector Unions



Private vs Public Models

- Private Sector can do
- Challenges
 - Capital (risk)
 - Competition (risk)



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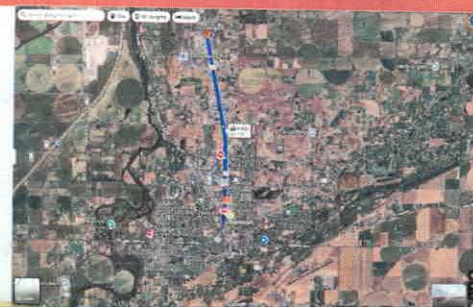
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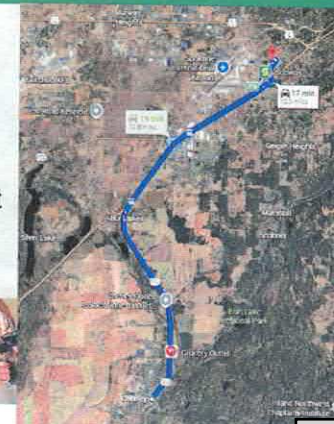
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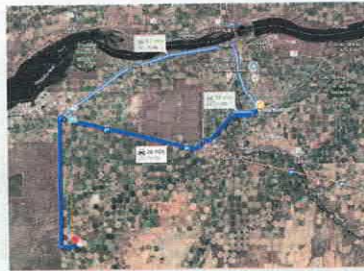
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City-Paid Low-Income Assistance

- 2019 City Council Policy
 - Limited to 50 Accounts Per Year
 - 100% of Federal Poverty Level
 - 5-10 users per year
- 2024 Finance Staff Expanded
 - 175% Federal Poverty Level
 - 20 users

Family Size	Income
1	\$27,388
2	\$37,013
3	\$46,638
4	\$56,263
5	\$65,888
6	\$75,513
7	\$85,138
8	\$94,763



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Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of December 8, 2025

Title/Subject

Ordinance 2377- Umatilla Electric Cooperative Franchise

Summary

This ordinance grants a new 20 year franchise to UEC to operate their equipment within the city utilizing city rights of way to place their equipment.

Background

UEC has had a franchise to operate within Hermiston for many years. The latest franchise expired in 2025. This ordinance replaces the current franchise with largely identical terms.

The only substantive change to the franchise is that this proposes reducing the combined total of Franchise Fees & "Occupancy Taxes" from 7% of gross operating revenue to 4%. This reduction is the result of significant electricity demand growth within the community directly from the data center industry. As a result of those increased electricity purchases, it is possible to reduce these fees across the board to all UEC customers within the City while still experiencing more revenue available to the City than before. Therefore, for a typical household in Hermiston which may see an average monthly electricity cost of \$150, a reduction in these fees from 7% to 4% will result in monthly household savings of \$4.50, or \$54.00 per year.

The exact fiscal ramifications of this change are largely tied to the fate of an economic development incentive program which the City Council adopted in February, 2022. It is recommended that that program be simultaneously eliminated through a Resolution 2398. The simultaneous elimination of the large power purchaser incentive program, combined with an across-the-board reduction in franchise fees for all customers in town, will still provide key industries with financial benefits while also benefitting local residents and businesses through lower overall costs.

Tie-In to Council Goals

Goal 3- “Sustainable- Hermiston responsibly plans and invests in community infrastructure and the built environment to support the critical needs of daily life and sustainable growth for the future.”

Fiscal Information

Additional detail is spelled out in the staff report for Resolution 2398.

Approval of this 4% Franchise Fee, along with approval of Resolution 2398 is projected to result in net revenues to the City of Hermiston in calendar year 2026 of approximately \$1.5 million; which is compared to approximately \$400,000 in calendar year 2024.

Alternatives and Recommendation

Alternatives

1. Approve Ordinance 2377
2. Reject Ordinance 2377
3. Table Ordinance 2377

Recommended Action/Motion

Approve Ordinance 2377

Submitted By:

Mark Morgan

ORDINANCE NO. 2377

AN ORDINANCE REPEALING ORDINANCE NO. 2111 AND ORDINANCE NO. 2248 AND GRANTING TO UMATILLA ELECTRIC COOPERATIVE, A COOPERATIVE CORPORATION, AND TO ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE LICENSE AND FRANCHISE FOR A PERIOD OF TWENTY (20) YEARS TO CONSTRUCT, MAINTAIN AND OPERATE IN AND ON THE PRESENT AND FUTURE STREETS, ALLEYS, BRIDGES AND PUBLIC PLACES OF THE CITY OF HERMISTON, ELECTRIC POWER LINES AND APPURTENANCES FOR THE PURPOSE OF SUPPLYING ELECTRICITY AND ELECTRIC SERVICE TO THE CITY OF HERMISTON, THE INHABITANTS THEREOF AND OTHERS, SUBJECT TO THE TERMS AND CONDITIONS AND TO THE MAKING OF THE PAYMENTS SPECIFIED IN THE ORDINANCE.

THE CITY OF HERMISTON ORDAINS AS FOLLOWS:

SECTION 1. The City of Hermiston, hereinafter called the City, does hereby grant to Umatilla Electric Cooperative, a Cooperative Corporation, and to its successors and assigns, hereinafter called the Grantee, a license and franchise for the period of twenty (20) years from and after the effective date of this ordinance to construct, maintain and operate in and on the present and future streets, alleys, bridges and public places of the City, electric power lines, with all the necessary or desirable appurtenances, for the purpose of supplying electricity and electric service to the City and the inhabitants thereof, and to persons and corporations beyond the limits of the City, subject to the terms and conditions and to the making of the payments hereinafter specified.

SECTION 2. The license and franchise hereby granted shall not be exclusive; and the City expressly reserves the right, at any time during the term of the license or franchise hereby granted, to grant licenses or franchises for such purpose to other persons or corporations, as well as the right in its own name as a municipality to use said streets and public places for such purposes, in the event that the City shall hereafter decide to engage in the business of supplying electricity and electric service for municipal or other uses.

SECTION 3. The locations and methods of installation and maintenance of all poles, wires, fixtures, underground conduits and appurtenances shall be subject at all times to reasonable regulation by the Council of the City, or by such committee of the Council or such official of the City as may be designated by the Council; and all such poles, wires, fixtures, underground conduits and appurtenances shall be so constructed and maintained as to interfere as little as practicable with street or other traffic. All such poles, wires, fixtures, underground conduits and appurtenances shall be installed and at all times maintained by the Grantee in safe order and condition and in accordance with good electrical practice; and the Grantee, at its own cost and expense, shall promptly repair all streets, alleys, bridges and public places in any way disturbed by the Grantee, and shall restore the same to as good

condition as the same were in prior to the doing of any work thereon or therein by the Grantee. The Grantee shall comply with all lawful present and future charter provisions, ordinances, rules and regulations of the City relating to the use or improvement of the streets, alleys, bridges and public places in the City.

SECTION 4. The Grantee shall use due diligence to maintain continuous service adequate for the requirements of the City and its inhabitants. However, the Grantee does not guarantee continuous and uninterrupted service, and such service shall be subject to accidents, interferences or interruptions beyond the reasonable control of the Grantee, and shall be furnished under such reasonable rules and regulations as the Grantee may make from time to time for the proper conduct of its business. Such service and all rates and charges therefore, and all rules and regulations pertaining thereto or to the making of necessary and proper extensions of service, shall be subject at all times to any rules, regulations and orders lawfully prescribed by any authority having jurisdiction in the premises.

SECTION 5. When necessary, in order to permit any duly authorized person to move any building or other structure across or along any street, alley, bridge or public place within the City, the Grantee shall temporarily raise or remove its wires, fixtures and appurtenances upon such streets, alleys, bridges or public places, upon reasonable notice in advance from the Recorder of the City, and at such time and in such manner as may be necessary reasonably to accommodate such moving, consistently with the maintenance of proper service to the Grantee's customers; provided, however, that the cost to the Grantee of such temporary raising or removal, and of any interruption of the Grantee's service to its customers caused thereby, shall first be paid or satisfactorily secured to the Grantee by the owner or mover of such building or other structure.

SECTION 6. Subject to the use for which Grantee's poles are erected and successful execution of a joint pole use agreement between the City and Grantee, the City shall have the right to add to any of the poles maintained by the Grantee City alarm systems, monitoring systems, and communication systems.

SECTION 7. The Grantee hereby agrees and covenants to indemnify and save harmless the City of Hermiston and the officers thereof against and from any and all claims, and all damages, cost and expense to which it or they may be subjected by reason of any neglect, default or misconduct of the Grantee, its agents or servants, in any manner arising out of the construction, maintenance or operation of any property of the Grantee in or on any street, alley or highway within the City of Hermiston.

SECTION 8. The Grantee shall pay to the City on or before the 20th day of the month following the close of each calendar quarterly period during the term hereof a franchise fee or charge equivalent to four percent (4%) of the Grantee's gross operating revenue accruing during such period from the sale of electric power within the corporate limits of the City of Hermiston, other than such revenue derived from transactions in

interstate or foreign commerce, or from business done with the government of the United States or any agency thereof, and after deducting therefrom any amounts paid by the Grantee to the United States or State of Oregon, as excise or business taxes upon the sale or distribution of electric service in said City of Hermiston. The first of such calendar quarterly periods shall begin on the first day of the month next following the effective date of this ordinance. The amounts so payable by the Grantee shall be in lieu of, and not in addition to, all other licenses, occupation, franchise or excise taxes or charges which might otherwise be levied or collected by the City in respect of the use or exercise of the license or franchise granted hereby.

SECTION 9. Ordinance No. 2111 and Ordinance No. 2248 are repealed.

SECTION 10. This ordinance shall take effect on the 30th day after its adoption but shall become null and void unless within sixty (60) days after such effective date the Grantee shall file with the City Recorder the Grantee's written acceptance of the terms, conditions and obligations to be complied with or performed by it hereunder.

ADOPTED by the Common Council this 8th day of December 2025.

SIGNED by the Mayor this 8th day of December 2025.

Doug Primmer, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC City Recorder



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of December 8, 2025

Title/Subject

Resolution 2398- Eliminate Economic Development Incentive Program Related to Electric Utility Franchise Fees and Repeal [Resolution 2209](#)

Summary

This resolution repeals [Resolution 2209](#) and eliminates an incentive program which was created in 2022.

Background

The hyperscale data center industry uses large amounts of electricity. The City of Hermiston charges franchise fees to electricity utilities in exchange for the ability to use our rights of way to provide power to their customers. These fees are calculated as a percentage of the utility's revenue. Therefore, when a large electricity user locates within the City, and drives up a utility's revenue, then the amount of the franchise fee revenue coming to the city sees a proportional increase.

Noting this dynamic, city staff worked with an interested hyperscale data center to develop an incentive program which would allow them to save costs while simultaneously increasing city revenue significantly. The program was set up such that, any business within city limits, who could show that they paid more than \$750,000 in franchise fees alone (not including the cost of power) over the course of one year, could get a reimbursement on all of their franchise fees paid for that year over and above the \$750,000 figure. This program was then indexed to inflation as well, which places the threshold for 2025 at \$796,381.

Successful Program

The revenue generated from Franchise Fees on UEC have risen significantly with the beginning of operations of the first hyperscale data centers to become operational within the City Limits of Hermiston in Fiscal Year 2025.

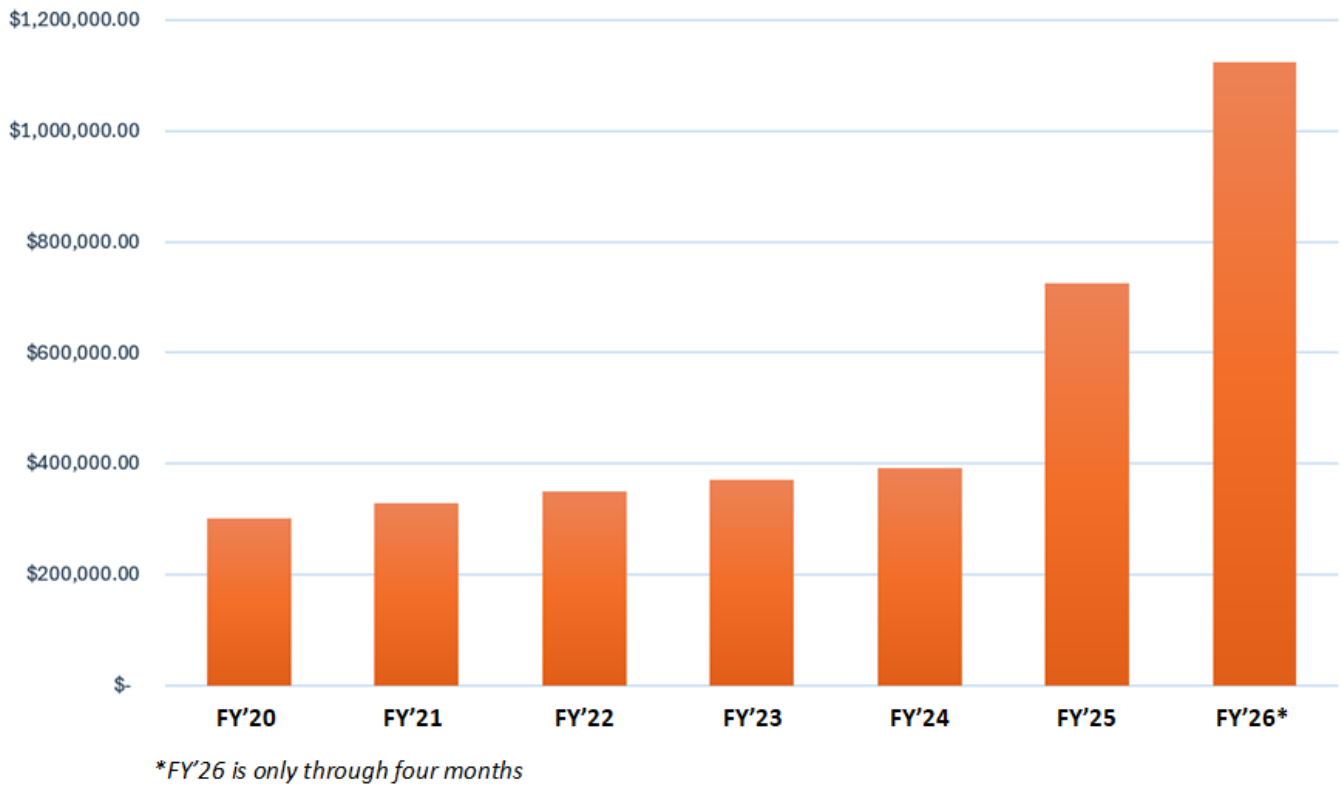
Revenues from UEC Franchise Fees had risen from approximately \$300,000 in FY'20 to approximately \$390,000 in FY'24. This followed a relatively traditional growth trajectory associated with increasing power purchased through normal growth in residential, commercial, and industrial customers, along with run of the mill inflationary rate adjustments. Fiscal Year

2025 began to see a significant acceleration in revenue increases coinciding with the beginning of operations of the first large scale data center activity within city limits. By year-end, UEC Franchise Fee revenue had nearly doubled year-over-year to \$724,000. However, it is worth noting that this figure includes the “baseline” of approximately \$400,000 in annual revenue from all other customers (not including the data center(s)). Therefore, the FY’25 franchise fee revenue attributable to hyperscale data centers was approximately \$324,000.

As data center operational capacity within the city continued to expand, the associated revenue increase has continued to accelerate in to FY’26, with approximately \$1.1 million received through the first four months of the fiscal year. This drives the estimated franchise fee revenue directly associated with the data center industry for Calendar Year 2025 to approximately \$1.2 million out of approximately \$1.6 million total.

Given the obligation to refund revenues over \$796,381 upon request, it is estimated that the net revenue for CY2025, when accounting for an estimated \$400,000 in refund-related expenses of the incentive program would shrink from \$1.6M to \$1.2M. In other words, even when accounting for the costs of refunds, the incentive program will have roughly tripled the amount of UEC-related franchise fees coming to the City compared to 2022 when the program was created.

UEC Franchise Fee Revenues



Mutually Beneficial to Terminate Incentive Program

Given that power usage is a critical component of the hyperscale data center industry, it is largely regarded as a valuable trade-secret. Also given that the franchise fee calculation is a very simple percentage, and finally given that all refund-related expenses of the program would be publicly

available through the City, if the company were to actually seek a refund through the program, it would be very easy for a competitor to reverse-engineer their way to determining the company's power consumption.

Recognizing this dynamic, staff worked with the hyperscale company to negotiate an end to the program in exchange for cutting franchise fee rates across the board for all customers within the city from 7% to 4%. In this scenario, the hyperscale company would receive no special treatment or incentives. They would simply pay a 4% franchise fee on top of their power costs just the same as all other customers within the city. In which case, the power utility would simply pay their overall franchise fee obligation every quarter, with the amount tagged to any one company obfuscated by virtue of the revenue coming through as a lump sum of all customers.

Revenue to City Increases; Cost to Residential Customers Down

Implementing an across-the-board fee cut from 7% to 4% is projected to save the typical household in Hermiston approximately \$40 to \$60 per year; depending on their electricity consumption. This cut in franchise fee costs to residences and businesses is projected to result in a loss of approximately \$450,000 per year in revenue to the City from those sources. However, transitioning the data center industry off of the incentive program, and on to a 4% franchise fee will more than offset the loss of other commercial/residential revenues.

It is projected that, compared to the current arrangement, this change will result in an average increase in net Franchise Fee Revenues between 2026 and 2030 of between \$1 million and \$2 million per year.

Market Comparison

City staff has compared franchise fee policies across various other jurisdictions, and feels comfortable that a 4% across-the-board rate is well within the market average. It is certainly within the market average for all Oregon cities (whether they have data centers or not), with fees ranging from 3% on the low end, to 5% at the bulk of the market, to 7% at the high end of the spectrum, and finally 9% in Ashland.

Comparing this strategy to other communities, City staff has engaged extensively with staff from the City of Umatilla to formulate a more regional approach. Umatilla had, in the early days of data center development (circa 2008-2010) agreed to an across-the-board cap on all franchise fees at \$1 million per year. They have since modified that policy upward.

City of Hermiston staff has also worked in 2025 to convene a new group of "data center impacted communities," to share best practices, and hopefully regain some market power. The Collaborative Alliance for Regional Technology & Economic Leadership (CARTEL) includes representatives from the cities of Hermiston, Umatilla, Boardman, Arlington, The Dalles, Prineville, Madras, and Hillsboro, as well as several other stakeholders. Through that collaboration, it is clear that a 4% franchise fee is well within the market of peer communities, if not slightly on the higher-end.

Tie-In to Council Goals

Goal 3- “Sustainable- Hermiston responsibly plans and invests in community infrastructure and the built environment to support the critical needs of daily life and sustainable growth for the future.”

Fiscal Information

See above.

Approval of this resolution will save the typical household in Hermiston between \$40 and \$60 per year.

Approval of this resolution is projected to result in a net increase in total Franchise Fee revenue to the city by an average of \$1 million to \$2 million per year between 2026 and 2030. Beyond 2030 is challenging to project, as the trajectory will be heavily influenced by industry growth trends, but it is not anticipated to decline within the foreseeable future.

Alternatives and Recommendation

Alternatives

- Approve Resolution 2398
- Reject Resolution 2398
- Table Resolution 2398 with direction to staff

Recommended Action/Motion

- Approve Resolution 2398

Submitted By:

Mark Morgan

RESOLUTION NO. 2398**A RESOLUTION REPEALING RESOLUTION NO. 2209 ESTABLISHING AN
ECONOMIC DEVELOPMENT INCENTIVE PROGRAM RELATED TO
ELECTRIC UTILITY FRANCHISE FEES**

WHEREAS, Resolution No. 2209, approved by the City Council February 28, 2022, established an economic development incentive that provided a bulk-discount for major power users within the city. Users who paid more than \$750,000 in franchise fees in a year could request reimbursement for all franchise fees paid over and above the \$750,000 limit; and

WHEREAS, the incentive program set by Resolution No. 2209 was to sunset on December 31, 2029, however, the City recognizes that due to changes in power use there is no longer a need for this specific economic incentive program; and

WHEREAS, city staff recommend repealing Resolution No. 2209.

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

1. That Resolution No. 2209 establishing an economic development incentive program related to electric utility franchise fees is no longer necessary and is hereby repealed.
2. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 8th day of December 2025.

SIGNED by the Mayor this 8th day of December 2025.

Doug Primmer, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of December 8, 2025

Title/Subject

Resolution 2399- Airport Agricultural Ground Lease

Summary

This resolution directs staff to finalize and execute a 1-year lease of 140 acres of recently-acquired city-owned farmland at the airport for the purposes of farming and generating operating income for the airport.

Background

City staff began working toward acquiring the 140 acres in question in 2017. The main purpose for the acquisition is to allow for the future relocation of Ott Road out of the airport's Runway Protection Zone. In order to reach an amicable sale, the FAA agreed to pay for 95% of the cost of acquiring all 140 acres, rather than simply a right of way corridor. That purchase/sale closed this past summer, with a right of first refusal reserved for the sellers to be able to lease the land back at fair market value.

The property was appraised for lease, and resulted in an estimated range of value as between \$55,150 and \$79,350 per year. The sellers declined to exercise their right of first refusal despite multiple direct requests by staff.

A real estate listing was developed by staff, and direct-mailed to 23 neighboring landowners within a 1 mile radius of the property. The listing was also published in the monthly newsletter and on the city's public notices section of the website. Two large 3'x5' "For Lease" signs were also erected on the property throughout the Fall.

Bids were opened on December 2, with three qualified local farmers submitting offers. All three offers came in within the appraisal window. Staff is now requesting authorization to negotiate and execute a final lease agreement with the highest bidder according to terms substantially similar to what is included in the attached draft lease document.

	Pivot (107ac)		Handline (28ac)		
	107		28		Total
Bidder A	\$ 450.00	\$48,150.00	\$ 450.00	\$12,600.00	\$60,750.00
Bidder B	\$ 525.00	\$56,175.00	\$ 250.00	\$ 7,000.00	\$63,175.00
Bidder C	\$ 465.00	\$49,755.00	\$ 250.00	\$ 7,000.00	\$56,755.00
Appraisal (Low)	\$ 450.00	\$48,150.00	\$ 250.00	\$ 7,000.00	\$55,150.00
Appraisal (High)	\$ 650.00	\$69,550.00	\$ 350.00	\$ 9,800.00	\$79,350.00

Tie-In to Council Goals

“FISCAL: MAINTAIN SERVICE LEVELS, STRENGTHEN INTERNAL OPERATIONS TO SUPPORT SUSTAINABILITY, ACCOUNTABILITY, AND TRANSPARENCY.”

Fiscal Information

This agreement will help support long-term financial stability for Airport Operations, which currently are a net cost of City of Hermiston taxpayers of approximately \$100,000 per year.

After all federal and state grants have been accounted for, the total local cost to the City of Hermiston for acquiring this land was approximately \$110,000.

At the recommendation of IRZ, Inc. (local irrigation specialist), there will be several improvements to the irrigation infrastructure (piping & valving) completed this winter for a cost of \$53,000.

Therefore, the total cost to the City of Hermiston of bringing this property to market for lease is \$153,000.

Less the estimated cost of owner-paid property taxes of \$1,500 per year, it is projected that the Return on Investment for this deal will be approximately 2.5 years. Moving forward, this asset should generate permanent ongoing net-revenue to support airport operations in the range of \$50,000 to \$60,000 per year (2025 dollars) into perpetuity.

Alternatives and Recommendation

Alternatives

- Approve Resolution 2399
- Reject Resolution 2399
- Table Resolution 2399 with direction to staff

Recommended Action/Motion

- Approve Resolution 2399

Submitted By:

Mark Morgan

RESOLUTION NO. 2399**A RESOLUTION AWARDED A LEASE OF LAND FOR AGRICULTURAL USE AND
AUTHORIZING THE CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS ON
BEHALF OF THE CITY**

WHEREAS, the City of Hermiston (“City”) purchased 140 acres of agricultural land to be used as a runway protection zone adjacent to the Hermiston Municipal Airport (“the Property”); and

WHEREAS, under the rules of the Federal Aviation Administration the Property can still be used for agricultural purposes; and

WHEREAS, the City desires to have the Property continue to be utilized as agricultural land; and

WHEREAS, notice of the City’s desire to lease the Property for agricultural use was published and posted, and bids were received from three bidders, A, B, and C with the bid for \$63,175.00 from Bidder B, which is highest and most acceptable; and

WHEREAS, a copy of a draft form of an Agreement for Lease of Land for Agricultural Use is attached hereto.

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

1. That the bid of \$63,175.00 for a lease of the City’s 140 acres of agricultural land is accepted.
2. That the City Manager be, and is, hereby authorized to execute and deliver an Agreement for Lease of Land for Agricultural Use to Bidder B. with such changes, additions, deletions, and modifications as the City Manager may approve.
3. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 8th day of December 2025.

SIGNED by the Mayor this 8th day of December 2025.

Doug Primmer, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER

AGREEMENT FOR LEASE OF LAND FOR AGRICULTURAL USE

Parties

This is a Farm Lease Agreement (“Agreement”) between the following parties:

Landlord(s) (hereafter collectively referred to as “Landlord”)

City of Hermiston
180 NE 2nd Street
Hermiston, Oregon 97838

Tenant(s) (hereafter collectively referred to as “Tenant”)

Background

WHEREAS, City of Hermiston desires to lease certain tillable land that is owned, controlled and operated by the City of Hermiston; and

WHEREAS, the primary function of this land is to serve as a buffer around the Hermiston Municipal Airport (“Airport”) and as such, it is not actively used by the Airport; and

WHEREAS, this land can and has been used for agricultural purposes without impairing its function as a buffer for Airport operations; and

WHEREAS, by leasing this land for agricultural use the Airport can generate revenues that support Airport operations; and

NOW THEREFORE, in consideration of the rental payments and commitments of the parties hereafter set forth, the parties agree to the following:

Terms

1. Lease.

Landlord agrees to lease to Tenant, and Tenant agrees to lease from Landlord, the Property described in Section (2) for the uses set forth in this Agreement on the terms and conditions stated in this Agreement and the attached Exhibit(s).

2. Description of Real Property to be Leased.

2.1 Property Description

The Property shall consist of 140 acres of irrigated farm land, the land more particularly described in Exhibit A, which is attached and incorporated herein.

2.2 Future Property Development

Should the Landlord determine, during the period of this lease, that airport expansion, development, or other airport requirements would be best served by adding or removing certain fields from the provisions of this Agreement, the Landlord shall be entitled to take such action without penalty or termination of this lease. It being understood, however, that the Tenant's payments would be adjusted according to the number of acres added to or removed from the terms of this lease, and that the Landlord shall reimburse the Tenant for any unharvested crops remaining on the fields removed from the Agreement. Compensation for adjustments shall be at the applicable annual rent rate in accordance Section (5). Compensation for unharvested crops on fields removed from the Agreement shall be at an amount mutually determined to be sufficient to cover Tenant's costs in planting and tending to those crops.

3. Other Property To Be Leased

3.1 Equipment.

Irrigation infrastructure to include handlines and center pivot irrigation systems

4. Term, Renewal, Termination, and Surrender

4.1 Initial Term.

The term of this Agreement shall run for 12 months, beginning on January 1, 2026 and ending on December 31, 2026 (the "Termination Date").

4.2 Renewal.

The parties may renew this Agreement for an additional 3 year period ("Renewal Term") as set forth in this paragraph. To renew this Agreement, Tenant shall deliver written notice of Tenant's intent to renew this Agreement ("Renewal Offer") to Landlord on or before 90 days prior to termination. Upon Tenant's delivery of a Renewal Offer, Landlord shall have 15 days to provide Tenant with written notice of Landlord's acceptance or rejection of Tenant's Renewal Offer. If Landlord fails to provide a written response to Tenant's Renewal Offer, this Agreement shall not terminate on the Termination Date and instead shall automatically renew for the additional 3 year Renewal Term. If Tenant fails to deliver a Renewal Offer on or before 90 days prior to termination, the Termination Date shall remain as set forth above unless the parties mutually agree otherwise.

4.3 Early Termination.

The Landlord and Tenant shall each have the power to terminate this Agreement with at least 180 days written notice to the other party. If 180 days written notice is properly provided to the other party, the lease shall terminate 180 days after the notice was received by the other party, or on a later date set forth in the notice.

4.4 Surrender.

Upon termination of this Agreement, unless otherwise mutually agreed upon by the parties, Tenant shall surrender possession of all land, equipment, structures, and other assets related to the Property on or before December 31, 2026. Tenant shall have the right of entry for the purpose of harvesting crops seeded before termination of the lease in accordance with normal farm practices, or to sell the interest in such crops either to the Landlord or to the succeeding Tenant. If the Tenant, in view of the approaching termination of this Agreement, fails to plant crops in accordance with accepted farming practices, the Landlord or the designated agent shall have the right of entry to plant such crops.

5. Rent

5.1 Rent Amount.

The Lessee shall pay to the Owner the sum of sixty-three thousand and one hundred seventy five dollars (\$63,175.00) annual rent for the use of the fields referred to in Section 2. This annual rent is calculated per acre.

5.2 Timing of Rent Payments.

Prompt and full payment of rents due is the essence of this contract. The annual cash rent shall be paid in 12 equal installments, amounting to \$5,264.00 dollars each.

The first payment is due 10 days following execution of this Agreement to Lease and monthly thereafter of each contract year remaining.

Any unpaid rent and interest shall bear interest at the rate of 1.5 percent per month, or part thereof, from the date due until paid. It is noted that interest is compounded.

The Lessee agrees to pay any and all cost and expense associated with the collection of past due rent or interest due thereon.

The Lessee understands and agrees that failure to make payments when due may be considered sufficient cause to immediately terminate this lease, negotiate and contract with any other person to fulfill as closely as possible the terms and remaining period of this lease, and to collect all unmitigated damages and monies owed by the Lessee, including damages resulting from the termination of this lease.

6. Permitted Use and Use Restrictions

6.1 Permitted Uses.

Landlord agrees that Tenant is permitted to use the Property for the following permitted uses:

- All normal activities associated with agricultural purposes
- Planting, cultivating and harvesting of annual crops

- Planting, cultivating and harvesting of perennial crops
- Application of soil amendments
- Pest and weed management
- Use, routine maintenance and storage of tools and equipment
- Post-harvest washing, cooling, sorting, and packing
- Keeping of bees
- Management of brush, field edges and roads
- Erect any signs on the Property (for example, Do Not Spray signs, or farm identification signs)
- Other common activities associated with cultivating crops and/or raising livestock
- On-farm events
- Erection and management of temporary structures
- Establish and maintain a compost pile on the Property

6.2 Prohibited Uses.

Landlord and Tenant agree that the following activities are prohibited on the Property: Cutting trees, erecting permanent fencing or structures, storing vehicles or farm equipment not essential to the farm operation, storage of gasoline/diesel fuel or other toxic substances, dump or store trash on the property, and violating any rules established by the FAA relating to Runway Protection Zones.

6.3 Consent To Engage in Prohibited Uses.

Tenant may request Landlord's consent to engage in prohibited uses or to engage in uses not clearly permitted under this Agreement. Tenant may submit a written description of the proposed use including the location and scope of the proposed use. Landlord may approve, disapprove, require more information, or require certain modifications to the proposed improvement. A written document clearly indicating Landlord's consent to the proposed use shall constitute an amendment to this Agreement.

7. Maintenance and Repairs

7.1 Maintenance.

Tenant will conduct routine maintenance in order to maintain the Property in good condition. Tenant is responsible for the following routine maintenance activities:

- Cultivating the farm faithfully and in a timely, thorough and businesslike manner;
- Applying fertilizer in an appropriate type and manner to maintain the fertility of the soil;
- Using reasonable efforts to control noxious weeds and prevent soil erosion;
- Keeping open ditches, tile drains, tile outlets, grass waterways, and terraces in good repair;

- Preserving established watercourses or ditches, and refraining from any operation that will injure established watercourses or ditches;
- Keeping any building, fences, hedges, and other existing improvements in good repair;
- Taking proper care of, and preventing injury to, all trees, vines and shrubs;
- Using prudence and care in transporting, storing, handling and applying all fertilizers and pesticides;
- Keeping the farm reasonably free of excess trash, debris, and unused equipment;

7.2 Repairs.

Tenant is responsible for performing all minor repairs related to the Property unless mutually agreed upon otherwise by the parties. Landlord shall be responsible for major repairs unless mutually agreed upon otherwise by the parties.

Minor repairs shall be defined as any repairs that cost less than 250 dollars. Major repairs shall be defined as any repairs that cost 250 dollars or more.

8. Improvements

8.1 Process For Requesting Improvement.

Landlord and Tenant shall discuss additions, alterations, replacements and improvements to the Property ("improvements") as needed. The party requesting the improvement shall make the request in writing. The request should include the following information:

- Description of the proposed improvement;
- Location of the proposed improvement;
- Estimated cost of improvement, and proposed allocation of cost between Landlord and Tenant;
- Who will be responsible for constructing the improvement;
- Whether Landlord or Tenant will be responsible for maintaining the improvement;
- Whether Landlord or Tenant will be responsible for repairing improvement;
- Whether Landlord or Tenant will own the improvement;
- Whether the Tenant has the right to remove or shall be required to remove the improvement upon termination of the lease;
- Whether Landlord shall pay Tenant the depreciated value of any non-removable improvements;

8.2 Time to Respond To Improvement Request.

The party that receives an improvement request under paragraph titled "Process For Requesting Improvement" above shall respond to the request in writing within fourteen days.

8.3 Good Faith.

The parties agree to discuss any improvement request in good faith. The parties further agree to negotiate an improvement request in good faith. The party that receives an improvement request shall not unreasonably deny the request.

9. Stewardship

9.1 Purpose.

The purpose of these stewardship standards is to embody Landlord and Tenant's mutual commitment to protecting and enhancing the natural resources of the Property. Both parties agree to review and discuss these standards annually.

9.2 Standards.

Tenant will cultivate the Property in a timely, diligent, thorough, and farmer-like manner in accordance with good farming practices.

9.3 Duty of Care.

Tenant will take care to not cause waste or damage to the Property or create a nuisance.

9.4 Stewardship Plan.

Tenant agrees to :

- Use best efforts to minimize soil erosion;
- Use best efforts to build soil life;
- Use best efforts to conserve water;
- Use Integrated Pest Management techniques to manage pests;

10. Easements

Landlord agrees to provide Tenant with notice of any easements on the Property and the terms of any easements on the Property. Tenant agrees to comply with the terms of any easements on the Property.

11. Communication and Inspection

11.1 Meetings.

Tenant and Landlord agree to meet at least once a year to discuss use of the Property, modifications to land use patterns, and any other issues that may have arisen.

11.2 Landlord Entry Onto Property.

Landlord reserves the right to enter the Property for the purposes of reasonable inspection with 48 hours prior notice to the Tenant.

11.3 Joint Inspections.

In the interests of fostering frequent communication and a positive working relationship between the parties, Landlord and Tenant shall conduct a joint inspection of the Property at least once every year.

12. Storage

Tenant may store farming equipment and other personal property used for normal farming operations on the Property.

Tenant may not store any materials that may be hazardous or that may cause damage to the Property (other than fuel for equipment or necessary agricultural chemicals).

Tenant is responsible for the security of equipment, supplies or any other personal property stored on the Property. Landlord will not be liable for any claims arising from theft, loss, or damage of farming equipment or personal property left or stored on the Property.

Unless otherwise mutually agreed by the parties, Tenant may store harvested crops, agricultural products, and value-added products on the Property.

13. Farm Management

Unless otherwise mutually agreed by the parties, Tenant is responsible for and has sole discretion related to the planning, management, and carrying out of Tenant's operations on the Property.

Unless otherwise mutually agreed by the parties, Tenant is responsible for procuring necessary tools and equipment, seeds, and fertilizers, and for hiring, monitoring, and paying for any labor Tenant uses on the Property.

14. Liens and Encumbrances

Tenant will not incur, create, or assume any lien or encumbrance on any portion of the Property, including any mechanic's or materialmen's liens, except any liens or encumbrances created under this Agreement.

Nothing in this Section will prevent Tenant from entering into customary crop financing and other financing arrangements (including crop insurance) and granting security interests in Tenant's crops, inventory, equipment, supplies, and other assets.

15. Sublease and Assignment

Tenant may only assign or sublease all or part of the Property if Landlord's written approval is obtained.

16. Sale of Leased Premises

The terms of this Agreement shall remain with the land; sale of the Property or portions thereof shall not invalidate the terms of this Agreement. However, Tenant agrees to abide by terms of any conservation or agricultural easement placed upon the Property or portions thereof. Such easement terms shall not unduly restrict agricultural activities anticipated under this Agreement.

If Landlord should sell or otherwise transfer title to the Property, Landlord will require the transferee (e.g., buyer) to recognize and take the Property

subject to this Agreement. Tenant will recognize the transferee as the new Landlord subject to the term of this Agreement.

17. Utilities

17.1 Tenant Responsibilities.

Tenant will arrange and pay for all utility costs relating to:

- Electric; and
- Water

17.2 Landlord Responsibilities.

Landlord will arrange and pay for all utility costs relating to: None.

17.3 Utility Access.

Landlord will cooperate with Tenant in order to facilitate Tenant's access to utilities related to the Property.

18. Water Use

Landlord and Tenant agree to work together to address the use of water and water related infrastructure on the Property.

19. Real Estate

Landlord agrees to pay all taxes, assessments, or other public charges levied or assessed by lawful authority against the Property.

20. Indemnification

Subject to the Oregon Constitution and Oregon Tort Law, each party agrees to indemnify the other party against any claim or action (including reasonable attorney fees, legal costs and expenses) brought by any third party against a party arising from a party's negligence, intentional misconduct, or failure to comply with the terms of this Agreement. Each party agrees to notify the other party in writing within thirty (30) days of the date on which it becomes aware of any grounds for any claim against the other party related to this Agreement. Each party's obligation to indemnify under this Section shall survive termination of this Agreement.

21. Insurance

21.1 Tenant Insurance Obligation.

Tenant agrees to obtain and/or maintain an insurance policy related to the Property. The following reflects the Landlord and Tenant's agreement related to the policy: \$1 million general liability policy and listing the landlord as additional insured.

21.2 Evidence of Insurance.

Upon request, Tenant shall provide Landlord with evidence of any insurance coverage related to the Property.

21.3 Insurance Required By Law.

Tenant will also maintain such other insurance as required by law.

22. Compliance with the Federal Aviation Administration

Tenant will comply with all rules and requests by the Federal Aviation Administration and the City of Hermiston necessary for the proper, safe, and efficient operation of the Hermiston Municipal Airport and its associated facilities and activities.

23. Compliance With the Law

Landlord and Tenant will comply with all local, state, and federal laws, including, without limitation, environmental, contract, real estate, landlord-tenant, labor and employment, and occupational safety laws related to this Agreement.

24. No Joint Venture

Landlord and Tenant agree that the parties are acting in the capacity of independent contractors. Neither party is authorized by this Agreement to act on behalf of the other party, nor is one party liable for the acts or omissions of the other party. This Agreement does not form a joint venture, partnership, employer/employee relationship or a profit-sharing arrangement between the parties. None of the parties' oral communications shall be construed as making either party the agent, employee, partner, or co-venturer of the other party.

25. Dispute Resolution

The parties agree to make a good faith attempt to settle any dispute arising out of this Agreement prior to filing a lawsuit in connection with this Agreement. Upon mutual agreement of the parties, any dispute arising out of this Agreement may be addressed via mediation, arbitration or another mutually agreed upon alternative dispute resolution process.

26. Governing Law, Jurisdiction, and Venue.

This Agreement shall be governed by, interpreted, and enforced under the laws of the state of Oregon. Any litigation between the parties shall be conducted exclusively in the state and federal courts with jurisdiction in Oregon, and any mediation, arbitration, litigation or similar proceeding shall be conducted exclusively at a location within Umatilla County where the Property is located or the closest practicable location.

27. Attorney Fees and Costs.

In the event of a dispute between the parties related to the Agreement, each party shall bear its own attorney fees, costs, and other expenses.

28. Disaster

Neither party shall be liable for damages due to delay or failure to perform any obligation under this Agreement if such delay or failure results directly or indirectly from: acts of war; civil commotion; riots; strikes; lockouts; interference with telephone or internet communications; failure of the water supply; carrier delays; fire, flood, hail, frost, windstorms, hurricanes, tornadoes, or other extreme weather events or acts of God; delay or failure

to receive raw materials; or any cause of a like or different kind beyond the reasonable control of either party.

Should a circumstance discussed in this Section occur, Tenant shall promptly notify Landlord. Landlord and Tenant shall make best efforts to come to an agreement about how to proceed.

29. No Waiver

The failure of either party to require the performance of an obligation under this Agreement or the waiver by either party of any breach hereunder shall not prevent subsequent enforcement of such obligation or be deemed a waiver of any subsequent breach.

30. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

31. Severability

All provisions of this Agreement are fully severable. If any provision is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Agreement, this Agreement will be construed and enforced as if such provision had never comprised a part of this Agreement and the remaining provisions of this Agreement will remain in full force and effect. In lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

32. Additional Documents and Acts

The parties agree to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated herein.

33. Notices

Notices and consents under this Agreement must be in writing and delivered by mail, hand, fax, or e-mail to the addresses set out on the signature page of this Agreement or other addresses given by one party to the other in writing. Notices will be considered received by the receiving party two business days after deposit in the mail, or the first business day after delivery to a courier, fax, or transmission by e-mail.

34. Gender, Number, Headings and Titles

As used herein, unless the context clearly indicates the contrary, the singular number shall include the plural, the plural the singular, and using any

gender shall apply to all genders. All headings or titles are included for descriptive purposes and the convenience of reference only and shall not control or alter the meaning of this Agreement.

35. Successors

This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators and successors of the parties.

36. Corporate Action

Each of the parties has taken all corporate action required to duly authorize the execution, delivery and performance of this Agreement and this Agreement constitutes an obligation enforceable against each in accordance with the terms of this Agreement.

37. Entire Agreement

This Agreement contains the entire agreement between the parties and supersedes all prior understandings and agreements, whether oral or written. If there are any inconsistencies between this Agreement and any Exhibit(s), this Agreement will control.

38. Modification By Subsequent Agreement

Except as otherwise set forth herein, this Agreement may be modified by subsequent agreement of the parties only by a valid writing signed by both parties.

39. Joint and Several Liability

All persons who are listed as Tenant shall be jointly and severally liable for the Tenant's obligations hereunder.

All persons who are listed as Landlord shall be jointly and severally liable for the Landlord's obligations hereunder.

[SIGNATURE PAGE TO FOLLOW]

The parties to this Agreement have read, understood, and agreed to the foregoing terms.

Landlord: City of Hermiston

By: _____

Title: _____

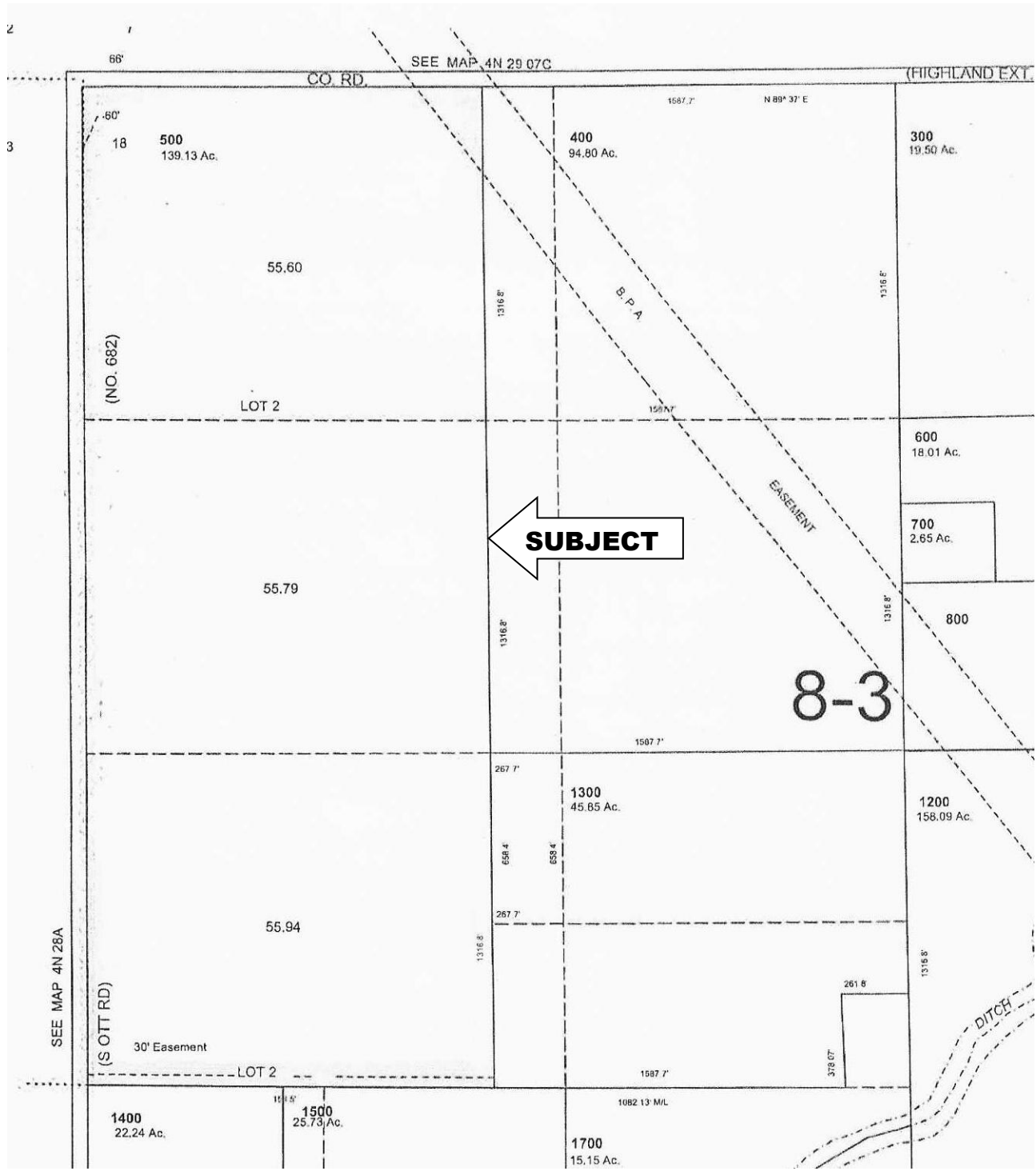
Date: _____

Tenant:

By: _____

Title: _____

Date: _____



PLAT MAP 4N-29-18 TAX LOT 500



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of December 8, 2025

Title/Subject

Adoption of Resolution No. 2400 –IGA for IT Services with the Umatilla Hospital District

Summary and Background

The City and the Umatilla Hospital District (UHD) propose to enter into an Intergovernmental Agreement for the City to provide IT services to UHD for four hours of service per month.

Tie-In to Council Goals

N/A

Fiscal Information

\$6240 per year

\$130 per hour

Includes a 3% inflation increase each year.

Alternatives and Recommendation

Alternatives

1. Adopt Resolution No. 2400 and attached IGA without modification.
2. Adopt Resolution No. 2400 and attached IGA with minor modifications.
3. Direct staff to make major changes to Resolution No. 2400 and/or the attached IGA and return at a later date.

Recommended Action/Motion

Adopt Resolution No. 2400 and attached IGA without modification.

Submitted By

Byron D. Smith, City Manager

Jordan Standley, IT Director

RESOLUTION NO. 2400**A RESOLUTION AUTHORIZING THE CITY OF HERMISTON TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE UMATILLA HOSPITAL DISTRICT FOR THE CITY OF HERMISTON TO PROVIDE INFORMATION TECHNOLOGY SERVICES TO THE UMATILLA HOSPITAL DISTRICT 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 agencies outside of the City; and

WHEREAS, the City and the Umatilla Hospital District have reached an agreement to provide ongoing IT services to the Umatilla Hospital District; and

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

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

1. That the Intergovernmental Agreement attached to this resolution between the City of Hermiston and the Umatilla Hospital District to provide ongoing IT services is hereby approved.
2. That the City Manager is authorized to sign the Intergovernmental Agreement.
3. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 8th day of December 2025.

SIGNED by the Mayor this 8th day of December 2025.

Doug Primmer, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER

INTERGOVERNMENTAL AGREEMENT
between
The City of Hermiston
and
Umatilla Hospital District
For Ongoing Information Technology Services

This Intergovernmental Agreement for Ongoing Information Technology Services (Agreement) is made by and between the City of Hermiston, hereinafter ("COH") and the Umatilla Hospital District ("UHD") (and collectively the "Parties") pursuant to ORS Chapter 190.

The Parties mutually agree as follows:

Term of Agreement. This Agreement shall be for a term of three years commencing on January 1, 2026 and expiring on June 30, 2029. Upon expiration of that term, this Agreement shall automatically renew for successive one (1) year periods, unless either party provides written notice of non-renewal to the other party at least ninety (90) days prior to expiration of the then current term.

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. UHD agrees to pay COH \$6240.00 per year for approximately 4 hours of IT service per month at \$130/hour beginning January 1, 2026. 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. UHD will pay for devices and any other materials required to perform the services under this Agreement, and if COH purchases those materials for UHD, UHD agrees to reimburse COH for those costs. COH agrees to notify UHD prior to purchasing anything over \$500 and to provide adequate documentation and invoice COU for the cost. In the event that there is a future change in the need for basic services by UHD, then the parties may mutually agree to increase or reduce basic services with a commensurate increase or reduction in basic services compensation.

Payment for Work. No payments shall be made until this Agreement is fully executed by both Parties. Invoices shall be issued on an annual basis beginning January 1, 2026. UHD agrees to initially be billed and to pay \$3,120.00 for services from January 1, 2026 to June 30, 2026, and then to transition to a July 1 to June 30 annual billing cycle thereafter. Unless otherwise specified in Attachment A, COH will submit invoices annually for services rendered and UHD 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.

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 its 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. UHD 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. UHD 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. UHD 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 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. UHD 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 UHD's negligent acts, omissions, activities or services provided pursuant to this Agreement. COH shall hold harmless, and indemnify UHD 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 UHD'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, UHD 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 2nd Street; Hermiston, OR 97838
Email: bsmith@hermiston.or.us PH: (541) 667-5002

Umatilla Hospital District, Attn: Darla Huxel
P.O. Box 17401 Umatilla, OR 97882
Email: Bluemtvbref@gmail.com PH: 541-561-8403

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 UHD 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, riots or demands or requirements of governmental agencies other than COH or UHD.

16. Ownership of Work Product. Any and all goods and services developed for UHD pursuant to this Agreement are intended as works made for hire. Works made for hire are the exclusive property of UHD.

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.

UMATILLA HOSPITAL DISTRICT

Signature: Darla Huxel

Title: Board Chairman

Name (print): Darla Huxel

Date: December 2, 2025

CITY OF HERMISTON

Signature: _____

Title: _____

Name (print): _____

Date: _____

Attachment A: Statement of Work

Managed Help Desk

- Monitor, triage and remediate IT issues submitted by UHD staff
- Provide SLA agreement
- Ensure Help Desk solution is updated/patched and configured, adhering to best practices
- Train UHD 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 UHD, the following provisions apply as appropriate to services contracted with COH. COH is pleased to offer a complete package of IT support services for UHD. The IT support package is designed to handle all UHD'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 UHD'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. UHD 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 UHD 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 UHD'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 UHD as soon as possible.

Administrative Access: It is imperative that COH IT Team maintain and control administrative access to the UHD'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 UHD's appointed staff to procure hardware and software. COH's role will be to research, evaluate and recommend with final approval coming from UHD'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, UHD will involve the COH IT Team in such discussions as an advisor.

IT Policy and Procedure: The COH IT Team will work with UHD'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.

Criminal Justice Information Systems Compliance: COH IT staff will maintain Criminal Justice Information Systems (CJIS) certifications for compliance in supporting law enforcement agencies and municipal court operations if applicable.

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 UHD 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 UHD 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 UHD staff.



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of December 8, 2025

Title/Subject

November 2025 Monthly Financial Report

Summary and Background

This is the monthly overview of the previous month's financial position reflecting year-to-date activity.

Tie-In to Council Goals

Fiscal Prudence

Fiscal Information

See Report

Alternatives and Recommendation

Alternatives

NONE

Recommended Action/Motion

Recommend/Request acceptance of the November 2025 Financial Report as presented.

Submitted By:

Ignacio Palacios, Finance Director

Byron D. Smith, City Manager

November 2025 Financial Report



Department of Finance
November 2025
(Unaudited)

FY2025-2026 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

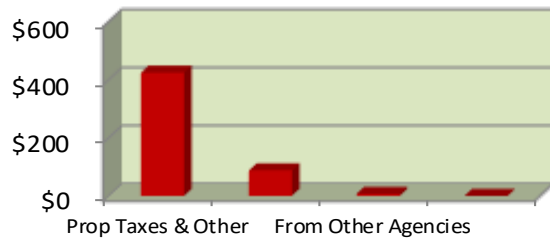
For the Month Ending November 30, 2025

Resources

Through November 30, 2025

by Category

(in \$1,000)



■ Actual Rev YTD

	Annual Bud't Rev	Actual Rev YTD	% Var
Prop Taxes & Other	\$ 312	425	136%
Miscellaneous	\$ 5,811	88	2%
From Other Agencies	\$ 345	7	2%
Cash Fwd	\$ 5,200	-	0%
Total	\$ 11,668	\$ 520	4%

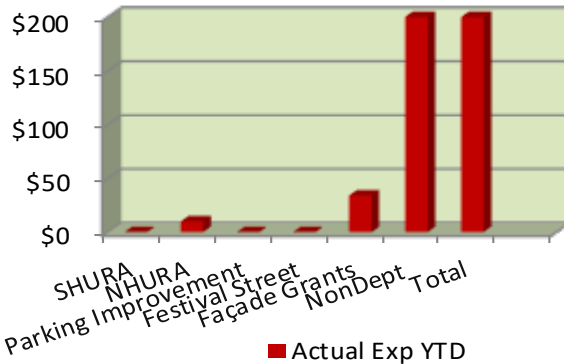
Note: Variance is calculated as % of revenue YTD

Expenditures

Through November 30, 2025

by Category

(in \$1,000)



■ Actual Exp YTD

	Annual Bud't Exp	Actual Exp YTD	% Var
SHURA	\$ -	0	0%
NHURA	\$ 5,545	10	0%
Parking Improvement	\$ 3	0	0%
Festival Street	\$ 3	0	0%
Façade Grants	\$ 60	34	57%
NonDept	\$ 6,057	258	4%
Total	\$ 11,668	\$ 302	3%

Note: variance is calculated as % of expenses YTD.

The FY2025-26 budget for the Urban Renewal Agency is \$11,668,000. This is due to the splitting of each district into a distinct fund for budgeting purposes. This includes \$5,545,000 for the NHURA projects and debt service, \$3,000 for parking improvements, \$3,000 for Festival Street, \$60,000 for façade grants, and \$6,057,000 for Non-Departmental expenses (due to transfers from the General HURA to each of the district funds created for this fiscal year).

FY2025-2026 Monthly Financial Report
Hermiston Urban Renewal Agency (HURA)
HURA Capital Projects Report
For the Month Ending November 30, 2025

	Ending Sept 30	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
North First Street Improvement Project	\$ 5,200,000	\$ 10,105	\$ 5,200,000	\$ 407,003	0.19%

North First Street Improvement Project (\$5,200,000)

The project will build a new street connecting N. First Street and NE4th Street, extending between NE Aspen Drive and the Home Depot access drive.

Current Update: Right of way appraisals completed. Meetings with property owners are taking place. Working with Bureau of Reclamation for items related to Hermiston Drain. Bidding to take place in the winter.

FY2025-2026 Monthly Financial Report

City of Hermiston, Oregon

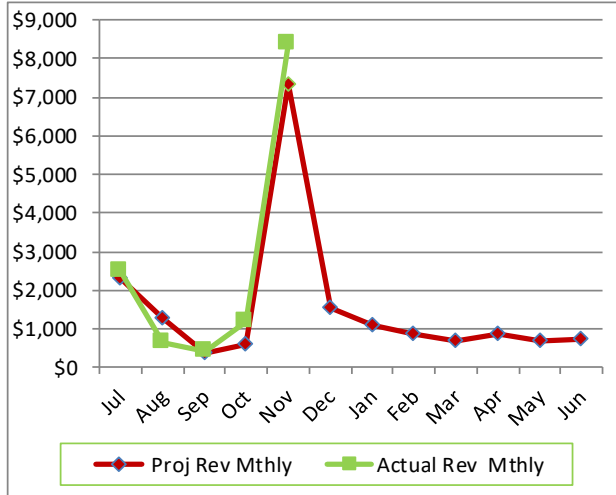
General Fund Resources

For the Month Ending November 30, 2025

General Fund Resources Summary

Through November 30, 2025

(in \$1,000)



	Proj Rev Mthly	Rev Proj Mthly	Actual Rev Mthly	Var Fav/ (Unfav)	% Var
Jul	\$ 2,327	\$ 2,327	\$ 2,472	\$ 145	6%
Aug	\$ 1,263	\$ 1,263	\$ 651	\$ (612)	-48%
Sep	\$ 366	\$ 366	\$ 431	\$ 65	18%
Oct	\$ 584	\$ 584	\$ 1,168	\$ 584	100%
Nov	\$ 7,324	\$ 7,324	\$ 8,370	\$ 1,046	14%
Dec	\$ 1,556	\$ 1,556			0%
Jan	\$ 1,077	\$ 1,077			0%
Feb	\$ 846	\$ 846			0%
Mar	\$ 701	\$ 701			0%
Apr	\$ 857	\$ 857			0%
May	\$ 685	\$ 685			0%
Jun	\$ 743	\$ 743			0%
Total YTD	18,330	18,330	13,093	1,229	6.7%
Cash Fwd	4,700	-	-	-	0%
Total	\$ 23,030	\$ 18,330	\$ 13,093	1,229	6.7%

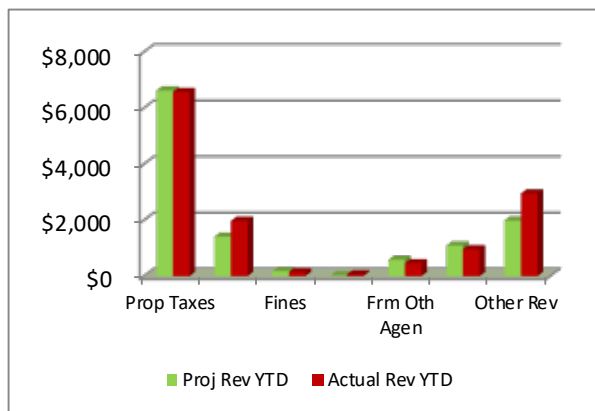
Estimated General Fund revenues for the 2025-26 fiscal year are **\$23,029,813**. Projected year-to-date revenues were **\$11,864,745** compared to actual revenues of **\$13,093,312** a favorable variance of **\$1,228,567**. This is primarily due to property tax revenues.

General Fund - All Resources

Through November 30, 2025

by Category

(in \$1,000)



	Annual Bud't Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 8,088	\$ 6,616	\$ 6,563	\$ (54)	-1%
Lic & Fran	\$ 2,162	\$ 1,403	1,972	569	41%
Fines	\$ 425	\$ 178	144	(34)	-19%
Interest Rev	\$ 75	\$ 24	58	34	140%
Frm Oth Agen	\$ 1,183	\$ 578	458	(121)	-21%
Svc Chgs	\$ 3,051	\$ 1,087	954	(133)	-12%
Other Rev	\$ 3,347	\$ 1,978	2,945	967	49%
Cash Fwd	\$ 4,700	\$ -	-	-	0%
Total	\$23,030	\$ 11,865	\$ 13,093	\$ 1,229	10.4%

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

FY2025-2026 Monthly Financial Report

City of Hermiston, Oregon

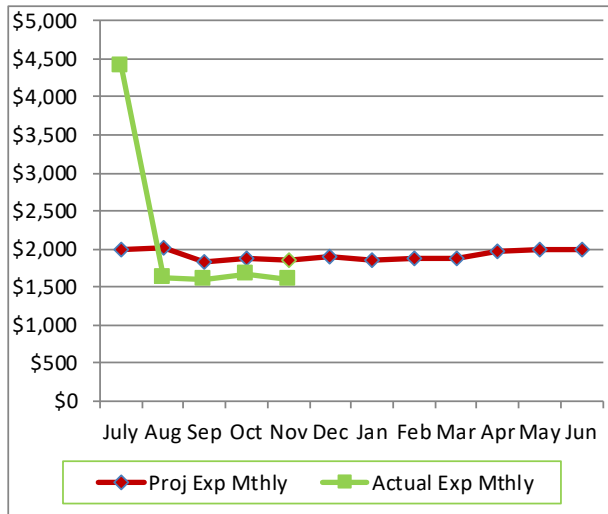
General Fund Expenditures

For the Month Ending November 30, 2025

General Fund Expenditure Summary

Through November 30, 2025

(in \$1,000)



	Proj Exp Mthly	Proj Exp	Actual Exp Mthly	Var Fav/ (Unfav)	% Var
July	\$ 1,994	\$ 1,994	\$ 4,400	\$ (2,406)	-121%
Aug	\$ 2,009	\$ 2,009	\$ 1,617	\$ 393	20%
Sep	\$ 1,832	\$ 1,832	\$ 1,590	\$ 242	13%
Oct	\$ 1,876	\$ 1,876	\$ 1,658	\$ 218	12%
Nov	\$ 1,848	\$ 1,848	\$ 1,608	\$ 240	13%
Dec	\$ 1,903	\$ 1,903			0%
Jan	\$ 1,849	\$ 1,849			0%
Feb	\$ 1,887	\$ 1,887			0%
Mar	\$ 1,865	\$ 1,865			0%
Apr	\$ 1,968	\$ 1,968			0%
May	\$ 2,000	\$ 2,000			0%
Jun	\$ 1,999	\$ 1,999			0%
Total YTD	23,030	23,030	10,873	(1,313)	-5.7%
Contngcy		-	-	-	0%
Total	\$ 23,030	\$ 23,030	\$ 10,873	\$ (1,313)	-5.7%

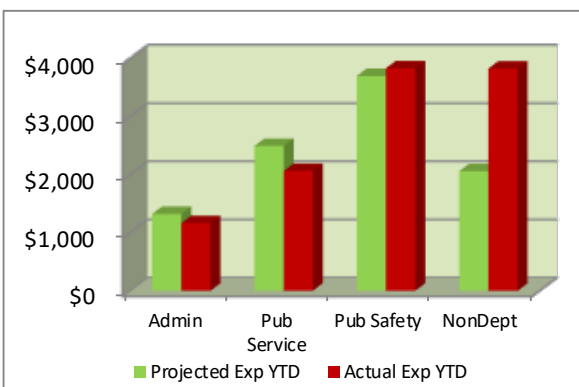
Projected General Fund year-to-date expenditures were **\$23,029,813**. The actual expenditure was **\$10,873,056** which is **\$1,313,237 more** than projected YTD for a **variance of 13.7%**. This is due to the fund transfer to the building inspection fund.

General Fund Expenditures

by Consolidated Department

Through November 30, 2025

(in \$1,000)



	Annual Bud't Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 3,179	1,320	1,163	156	12%
Pub Service	5,064	2,490	2,061	429	17%
Pub Safety	9,853	3,694	3,827	(133)	-4%
NonDept	4,934	2,056	3,822	(1,766)	-86%
Unapp	-	-	-	-	0%
Total	\$23,030	\$ 9,560	\$ 10,873	\$ (1,313)	-13.7%

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

FY 2025-2026 Monthly Financial Report

General Fund Expenditure Detail

For the Month Ending November 30, 2025

General Fund Expenditures by Department

	Annual Budgeted Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	59,262	19,592	34,941	(15,349)	-78%
City Manager/Legal	1,325,509	552,295	498,108	54,187	10%
City Planning	921,482	383,951	261,470	122,481	32%
Finance	872,441	363,721	368,667	(4,946)	-1%
Total Administration	3,178,694	1,319,559	1,163,186	156,373	12%
Transportation	467,000	193,792	155,830	37,962	20%
Airport	554,150	276,882	251,324	25,558	9%
Parks	848,227	422,763	364,583	58,180	14%
Parks/Utility Landscaping	113,647	33,235	45,508	(12,273)	-37%
Pool	663,494	433,468	346,981	86,487	20%
Municipal Buildings	156,769	65,320	64,577	743	1%
Library	1,074,288	530,142	388,356	141,786	27%
Recreation	757,940	374,993	303,004	71,989	19%
Community Center	296,204	108,379	100,772	7,607	7%
Harkenrider Center	132,146	51,101	39,873	11,228	22%
Total Public Services	5,063,865	2,490,076	2,060,808	429,268	17%
Court	1,060,509	445,462	343,627	101,835	23%
Public Safety Center	65,000	(105,794)	26,878	(132,672)	125%
Police Operations	8,727,918	3,354,755	3,456,912	(102,157)	-3%
Total Public Safety	9,853,427	3,694,423	3,827,417	(132,994)	-4%
Non-Departmental	4,933,827	2,055,761	3,821,645	(1,765,884)	-86%
Unappropriated	0	0	0	0	0%
Total Non-Dept	4,933,827	2,055,761	3,821,645	(1,765,884)	-86%
Total	23,029,813	9,559,819	10,873,056	(1,313,237)	-13.7%

For November, FY2026

Total Administration is \$156,373 less than YTD projected. **Total Public Services** are \$429,268 less than YTD projected. **Public Safety** is \$132,994 more than YTD projected. **Non-Departmental** is \$1,765,884 more than YTD projected.

FY2025-2026 Monthly Financial Report

Fund Balance - General Fund

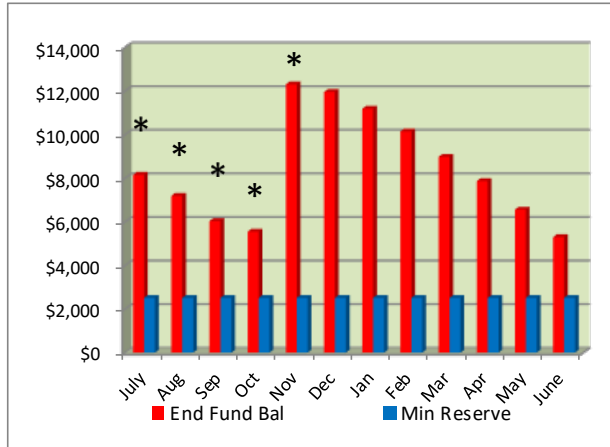
For the Month Ending November 30, 2025

General Fund

Through November 30, 2025

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$2,942,250

Last Year Minium Reserve was \$2,454,300

	Other	Begin Fund Bal	Revenue	Expense	End Fund Bal	ACT/PROJ Fund Bal
July	\$ 3,670	\$ 6,419	\$ 2,472	\$ (4,400)	\$ 8,161	ACT*
Aug	\$ -	\$ 8,161	\$ 651	\$ (1,617)	\$ 7,196	ACT*
Sep	\$ -	\$ 7,196	\$ 431	\$ (1,590)	\$ 6,038	ACT*
Oct	\$ -	\$ 6,038	\$ 1,168	\$ (1,658)	\$ 5,547	ACT*
Nov	\$ -	\$ 5,547	\$ 8,370	\$ (1,608)	\$ 12,309	ACT*
Dec	\$ -	\$ 12,309	\$ 1,556	\$ (1,903)	\$ 11,963	PROJ
Jan	\$ -	\$ 11,963	\$ 1,077	\$ (1,849)	\$ 11,190	PROJ
Feb	\$ -	\$ 11,190	\$ 846	\$ (1,887)	\$ 10,149	PROJ
Mar	\$ -	\$ 10,149	\$ 701	\$ (1,865)	\$ 8,985	PROJ
Apr	\$ -	\$ 8,985	\$ 857	\$ (1,968)	\$ 7,875	PROJ
May	\$ -	\$ 7,875	\$ 685	\$ (2,000)	\$ 6,561	PROJ
June	\$ -	\$ 6,561	\$ 743	\$ (1,999)	\$ 5,304	PROJ
Total	\$ 3,670	\$ 6,419	\$ 19,558	\$ 24,343	\$ 5,304	

The General Fund balance at the end of November 2025 is approximately **\$12,309,000** which is **4.1835 times** the current Minimum Reserve requirement of **\$2,942,250**.

FY2025-2026 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending November 30, 2025

Special Revenue Funds

Resources & Requirements

	2025-26 Annual Budget	Actual YTD	Remaining Budget
02 Bonded Debt Fund			
Resources	1,276,000	660,167	615,833
Expenditures	1,272,000	937,226	334,774
Unappropriated Balance	4,000	N/A	N/A
05 Transient Room Tax (TRT)			
Resources	1,365,000	801,322	563,678
Expenditures	1,365,000	651,690	713,310
Unappropriated Balance	-	N/A	N/A
08 Reserve Fund			
Resources	38,976,574	7,440,197	31,536,377
Expenditures	37,407,918	4,069,577	33,338,341
Unappropriated Balance	1,568,656	N/A	N/A
11 Miscellaneous Special Revenue			
Resources	158,000	903	157,097
Expenditures	158,000	-	158,000
Unappropriated Balance	-	N/A	N/A
19 Christmas Express Special Revenue			
Resources	65,000	2,700	62,300
Expenditures	65,000	852	64,148
Unappropriated Balance	-	N/A	N/A
20 Law Enforcement Special Revenue			
Resources	49,780	6,640	43,140
Expenditures	-	-	-
Unappropriated Balance	49,780	N/A	N/A
23 Enterprise Zone Project Fund			
Resources	5,070,195	2,658,314	2,411,881
Expenditures	5,070,195	528,667	4,541,528
Unappropriated Balance	-	N/A	N/A
24 Building Inspections			
Resources	4,319,000	4,166,766	152,234
Expenditures	4,319,000	381,039	3,937,961
Unappropriated Balance		N/A	N/A
25 EOTEC Operations			
Resources	8,617,625	413,288	8,204,337
Expenditures	8,617,625	691,530	7,926,095
Unappropriated Balance		N/A	N/A
26 IT Services			
Resources	1,549,056	604,747	944,309
Expenditures	1,549,056	539,280	1,009,776
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.

FY 2025-2026 Monthly Financial Report

Eastern Oregon Trade and Event Center (EOTEC) Fund

For the Month Ending November 30, 2025

EOTEC Fund

	2025-2026			Variance	
	Annual Budget	Projected YTD *	Actual YTD	Fav/(Unfav)	% Variance
Events	362,000	150,833	66,584	(84,249)	-56%
TRT/TPA	260,625	108,594	104,704	(3,890)	-4%
Misc.	7,995,000	3,331,250	242,000	(3,089,250)	-93%
Total Revenues	8,617,625	3,590,677	413,288	(3,177,389)	-88%
Personnel	485,603	202,335	209,146	(6,811)	-3%
Materials and Services	406,850	169,521	185,641	(16,120)	-10%
Capital	7,647,472	3,186,447	257,893	2,928,554	92%
Transfers	77,700	32,375	38,850	(6,475)	-20%
Total Expenses	8,617,625	3,590,677	691,530	2,899,147	81%

This fund is projected on the straight-line, 1/12th revenue or expense per month.

Projected revenues to date are **\$3,590,677** and actual year-to-date revenues are **\$413,288** or an **unfavorable variance of 88%**.

Projected expenditures to date are **\$3,590,677** and actual year-to-date revenues are **\$691,530** or a **favorable variance of 81%**.

FY2025-2026 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending November 30, 2025

Utility and Street Funds Report

Resources & Expenditures

	2025-2026 Annual Budget	Projected YTD	Actual YTD	Variance Fav/(Unfav)	% Variance
04 Street Fund					
Resources	2,514,887	822,870	763,214	(59,656)	-7%
Expenditures	2,447,855	1,019,940	747,572	272,368	27%
Contingency	67,032	N/A	N/A	N/A	N/A
06 Utility Fund					
Resources	16,077,986	5,240,828	6,356,388	1,115,561	21%
Expenditures	15,478,486	6,449,369	5,803,112	646,257	10%
Contingency	599,500	N/A	N/A	N/A	N/A
13 HES Fund					
Resources	14,043,723	4,697,385	4,939,550	242,165	5%
Expenditures	12,636,711	5,265,296	5,783,142	(517,846)	-10%
Contingency	1,407,012	N/A	N/A	N/A	N/A
15 Regional Water Fund					
Resources	2,946,000	1,123,333	1,117,434	(5,899)	-1%
Expenditures	2,839,944	1,183,310	1,225,186	(41,876)	-4%
Contingency	106,056	N/A	N/A	N/A	N/A

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

Revenues for the **Street Fund** are **\$59,656 less** than projected. Expenditures are **\$272,368 less** than projected.

Revenues in the **Utility Funds** are **\$1,115,561 more** than projected. Expenditures are **\$646,257 less** than projection.

The **HES Fund** revenue is **\$242,165 more** than projected. Expenditures are **\$517,846 less** than projected.

The **Regional Water Fund** revenues are **\$5,899 less** than projected. Expenditures are **\$41,876 less** than projected.

FY2025-26 Monthly Financial Report

City of Hermiston, Oregon

Utilities/Streets Capital Projects Report

For the Month Ending November 30, 2025

	2025-26 Budget	FY-TD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 1,600,000	\$ 6,376	\$ 1,600,000	\$ 161,844	10.12%
Gettman Road Extension ROA	250,000	6,378	650,000	439,919	67.68%
N. 1st Place Reconstruction	1,510,390	-	4,110,390	2,976,304	72.41%
NW 2nd Street Paving	580,000	-	580,000	-	0.00%
RWS Backup Generators	400,000	29,000	400,000	48,000	12.00%
AWS System Expansion - RWS	10,939,400	2,637,901	29,449,400	25,434,420	86.37%
Orchard Water Line Replacement	1,340,000	-	1,340,000	-	0.00%
Well #6 Chlorination	1,000,000	1,000	1,000,000	38,210	3.82%
Well #4 Control System	530,000	6,978	530,000	68,349	12.90%
Dogwood Street	275,000	-	275,000	-	0.00%
SE 10th Street Bridge Upgrades	100,000	-	100,000	-	0.00%
Lift Station #5 Rebuild	150,000	-	150,000	-	0.00%
E. Evelyn Avenue Gravity SL Replacement	480,000	1,000	480,000	31,110	6.48%
Lift Station #7 Rebuild	600,000	-	600,000	-	0.00%
AWS Cooling Discharge	2,805,000	48,050	2,805,000	533,973	19.04%
Total	\$ 22,559,790	\$ 2,736,683	\$ 44,069,790	\$ 29,732,129	67.47%

Geer & Harper Re-alignment (\$1,600,000)

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: Full design has begun. Advertising anticipated in Winter, with bids open late Winter, construction beginning in Spring, and project completion anticipated late 2026.

Gettman Road Extension ROA (\$650,000)

Gettman Road Extension right of way acquisition project.

Current Update: Acquisition has closed on approximately 76% of the proposed Right of Way. Negotiations continue on the remaining 24%.

North 1st Place Reconstruction (\$4,175,000)

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

Current Update: Additional Right of Way Acquisition process has begun with UPRR.

RWS Backup Generators (\$5,000,000)

To provide backup power supply to the regional water system.

Current Update: Design is underway and on-track to advertise the project in Winter '25/'26. Finance has begun to collect monthly assessment charges from the users to cover their portions.

FY2025-26 Monthly Financial Report

City of Hermiston, Oregon

Utilities/Streets Capital Projects Report

For the Month Ending November 30, 2025

	2025-26 Budget	FY-TD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 1,600,000	\$ 6,376	\$ 1,600,000	\$ 161,844	10.12%
Gettman Road Extension ROA	250,000	6,378	650,000	439,919	67.68%
N. 1st Place Reconstruction	1,510,390	-	4,110,390	2,976,304	72.41%
NW 2nd Street Paving	580,000	-	580,000	-	0.00%
RWS Backup Generators	400,000	29,000	400,000	48,000	12.00%
AWS System Expansion - RWS	10,939,400	2,637,901	29,449,400	25,434,420	86.37%
Orchard Water Line Replacement	1,340,000	-	1,340,000	-	0.00%
Well #6 Chlorination	1,000,000	1,000	1,000,000	38,210	3.82%
Well #4 Control System	530,000	6,978	530,000	68,349	12.90%
Dogwood Street	275,000	-	275,000	-	0.00%
SE 10th Street Bridge Upgrades	100,000	-	100,000	-	0.00%
Lift Station #5 Rebuild	150,000	-	150,000	-	0.00%
E. Evelyn Avenue Gravity SL Replacement	480,000	1,000	480,000	31,110	6.48%
Lift Station #7 Rebuild	600,000	-	600,000	-	0.00%
AWS Cooling Discharge	2,805,000	48,050	2,805,000	533,973	19.04%
Total	\$ 22,559,790	\$ 2,736,683	\$ 44,069,790	\$ 29,732,129	67.47%

AWS System Expansion- RWS (\$29,449,400)

Amazon Web Services is paying to extend the City-owned 16" water main in Feedville Road approximately 7,000 feet to connect 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 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" non-potable water main in Feedville Road. Additionally, this will construct an aquifer and associated storage system.

Current Update: The ASR Well is continuing improvements, including installation of above ground structures and mechanical components. The pump installations at the river intake station have completed, and the pipelines project is nearing substantial completion.

Orchard Water Line Replacement (\$1,340,000)

Replaces 3,200 feet of water main line along W. Orchard Ave. between S.W. 7th St. and S.W. 11th St., and along SW. 9th St. between W. Orchard Ave. and W. Juniper Ave.

Current Update: Preliminary design has begun, with plans to open bids and award a contract late Winter, with construction taking place during construction season 2026

Well # 6 Chlorination (\$1,000,000)

The chlorine room at Well No. 6 is 5 feet by 8 feet and too small for its current use and is constructed of fiberglass. It was originally constructed to occasionally store chlorination equipment. It is now in constant use and has been damaged during the exchange of chlorine cylinders. A larger building will allow more efficient operation of the well.

Current Update: Design nearing completion.

FY2025-26 Monthly Financial Report

City of Hermiston, Oregon

Utilities/Streets Capital Projects Report

For the Month Ending November 30, 2025

	2025-26 Budget	FY-TD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 1,600,000	\$ 6,376	\$ 1,600,000	\$ 161,844	10.12%
Gettman Road Extension ROA	250,000	6,378	650,000	439,919	67.68%
N. 1st Place Reconstruction	1,510,390	-	4,110,390	2,976,304	72.41%
NW 2nd Street Paving	580,000	-	580,000	-	0.00%
RWS Backup Generators	400,000	29,000	400,000	48,000	12.00%
AWS System Expansion - RWS	10,939,400	2,637,901	29,449,400	25,434,420	86.37%
Orchard Water Line Replacement	1,340,000	-	1,340,000	-	0.00%
Well #6 Chlorination	1,000,000	1,000	1,000,000	38,210	3.82%
Well #4 Control System	530,000	6,978	530,000	68,349	12.90%
Dogwood Street	275,000	-	275,000	-	0.00%
SE 10th Street Bridge Upgrades	100,000	-	100,000	-	0.00%
Lift Station #5 Rebuild	150,000	-	150,000	-	0.00%
E. Evelyn Avenue Gravity SL Replacement	480,000	1,000	480,000	31,110	6.48%
Lift Station #7 Rebuild	600,000	-	600,000	-	0.00%
AWS Cooling Discharge	2,805,000	48,050	2,805,000	533,973	19.04%
Total	\$ 22,559,790	\$ 2,736,683	\$ 44,069,790	\$ 29,732,129	67.47%

Well #4 Control System (\$410,000)

The 2,500-gallon per minute Well No. 4 pump was designed in the 1960s and is obsolete. The control system is unreliable and inefficient, and the piping system has been dismantled to use for parts in other systems. The station experiences large pressure fluctuations and configuring the pump control valve is challenging. The pump house also needs to be updated to ensure reliability during peak demands.

Current Updates

Peak summer water demand has been cleared this summer, so the contractor will soon begin readying to take Well #4 offline in the Fall to make the improvements.

Dogwood Street (\$275,000)

Paves about 310 feet of W. Dogwood from N.W. 2nd Street to N.W. Spruce

Current Update: Design will begin in Fall, with construction anticipated in 2026.

SE 10th Street Bridge Improvements (\$100,000)

Replaces and widens the bridge across the 'A' Line Canal.

Current Update: Design will begin soon, with construction planned on a timeline inverse from normal, with SE 10th requiring closure and bridge replacement over the winter of '26-'27 to accommodate when water is not in the canal.

Lift Station #5 Wetwell Upgrades (\$150,000)

Lift Station No. 5 is one of the city's newer lift stations. There is paint flaking on the pumps and hydrogen sulfide corrosion on interior surfaces from the raw sewage. Without upgrades, the mechanical equipment will need premature replacement.

Current Update: Design will begin soon.

FY2025-26 Monthly Financial Report

City of Hermiston, Oregon

Utilities/Streets Capital Projects Report

For the Month Ending November 30, 2025

	2025-26 Budget	FY-TD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 1,600,000	\$ 6,376	\$ 1,600,000	\$ 161,844	10.12%
Gettman Road Extension ROA	250,000	6,378	650,000	439,919	67.68%
N. 1st Place Reconstruction	1,510,390	-	4,110,390	2,976,304	72.41%
NW 2nd Street Paving	580,000	-	580,000	-	0.00%
RWS Backup Generators	400,000	29,000	400,000	48,000	12.00%
AWS System Expansion - RWS	10,939,400	2,637,901	29,449,400	25,434,420	86.37%
Orchard Water Line Replacement	1,340,000	-	1,340,000	-	0.00%
Well #6 Chlorination	1,000,000	1,000	1,000,000	38,210	3.82%
Well #4 Control System	530,000	6,978	530,000	68,349	12.90%
Dogwood Street	275,000	-	275,000	-	0.00%
SE 10th Street Bridge Upgrades	100,000	-	100,000	-	0.00%
Lift Station #5 Rebuild	150,000	-	150,000	-	0.00%
E. Evelyn Avenue Gravity SL Replacement	480,000	1,000	480,000	31,110	6.48%
Lift Station #7 Rebuild	600,000	-	600,000	-	0.00%
AWS Cooling Discharge	2,805,000	48,050	2,805,000	533,973	19.04%
Total	\$ 22,559,790	\$ 2,736,683	\$ 44,069,790	\$ 29,732,129	67.47%

E. Evelyn Avenue Gravity Sewer Line Replacement (\$480,000)

Multiple deficiencies exist in the pipe segments, including structural failures, sagging, root intrusions, and separated joints that cause blockages hindering sewer flow and require the City to clean this line monthly. Newly installed pipe will save maintenance costs and drastically reduce the likelihood of blockages, mitigating the potential for sewage backing up into local residences.

Current Update: Design will begin soon.

Lift Station #7 Rebuild (\$600,000)

Upgrade to electrical and control systems, replaces duplex pumps and mechanical pumps, rails, and valves and planned safety improvements to surrounding sidewalk.

Current Update: TBD.

AWS Cooling Discharge (\$2,805,000)

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 a new discharge water Main in Feedville and South 1st to discharge into the Hermiston Irrigation District's A-Line Canal. This work will also require the development of a separate NPDES Permit for the new discharge.

Current Update: DEQ Permitting appears close to the issuance of an initial draft. Final outfall structure awaiting final permitting.

**FY2025-26 Monthly Financial Report
City of Hermiston, Oregon
Other City Capital Projects Report
For the Month Ending November 30, 2025**

	2025-26 Budget	FY-TD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Hangar Replacement	1,300,000	474,530	1,300,000	1,044,617	80.36%
Urban Tree Project (Grant)	850,000	228,689	1,000,000	348,589	34.86%
Sherman Park Project	420,000	10,740	420,000	13,704	3.26%
Library Remodel	2,759,000	1,171,768	4,500,000	3,054,326	67.87%
ARC Remodel	-	-	750,000	343,417	45.79%
Public Safety Building Remodel	4,500,000	1,597,452	7,500,000	5,933,179	79.11%
Total	\$ 9,829,000	\$ 3,483,179	\$ 15,470,000	\$ 10,737,832	69.41%

Hangar Replacement (\$1,300,000)

Previous “Open-T Hangar” will be removed, and replaced by a new 10-unit enclosed T-Hangar, with approximately 90% of the project costs paid for by State and Federal Grant Funding. Total project cost will be approximately \$1.73 million – including the city’s 10% match.

Current Update: Building is substantially complete. Punchlist items begin.

Urban Tree Project Grant (1,000,000)

Federal grant for purpose of urban tree projects for tree planting throughout Hermiston

Current Update: We are pausing work on this project pending a better idea of the federal budget.

Sherman Park Project (\$420,000)

Cimmaron Park is to be built on land purchased from and donated by the developer. The park will include a nature trail and a natural playground system. The City was recently awarded a state grant for a large portion of this project. This project will develop a 0.61-acre park featuring a playground, gazebo, pathways, and landscaping. The park will be adjacent to the existing 8.61-acre Cimmaron Recreation Area, which includes a trail encircling the wetlands.

Current Update: Design is completed and the project is ready to bid.

ARC Remodel (\$750,000)

Remodel of the ARC building to temporarily house police operations during the public safety building remodel.

Current Update: PD administration is now using the Arc Building. Final piece will be to sand and finish interior floors after PD vacates the building.

Public Safety Building Remodel (\$7,500,000)

Public Safety Building remodel to the existing shared facility with the fire district. Building remodel will provide needed usable space as well as seismic upgrades.

Current Update: Interior work continues.