



CITY COUNCIL

AGENDA

MONDAY, JULY 28, 2025

Where Life is Sweet

COUNCIL CHAMBERS - 180 NE 2ND ST.

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

Zoom with Meeting ID: 816 1088 9740 Passcode: 531951 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. PRESENTATIONS

A. Presentation- Farm-City Pro Rodeo

5. CITIZEN INPUT ON NON-AGENDA ITEMS

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

6. CONSENT AGENDA

A. Committee Vacancy Announcement

B. Confirmation to reappoint Luke Swanson to Position #6 of the Eastern Oregon Trade & Event Center Committee for a 3-year term ending June 30, 2028

- C. Confirmation to reappoint Alberto Munoz to Position #5 of the Hispanic Advisory Committee for a 3-year term ending June 30, 2028

- D. Minutes of the July 14th City Council Work Session and Regular Meetings

7. ITEMS REMOVED FROM CONSENT AGENDA

8. RESOLUTIONS

- A. Resolution No. 2382 – Establishing a Charter Review Committee and Process
- B. Resolution No. 2383- Supporting an application by the city for a Housing Planning Assistance grant from the State of Oregon.

9. OTHER

- A. June 2025 Monthly Financial Report
- B. July 2025 Quarterly Investment Report
- C. Police Collective Bargaining Agreement for FY26 through FY28

10. 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. Manager's Report

11. 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. Parks and Recreation Committee

- Position 4, 5, & 6: 3-year term ending October 31, 2028 (Advertised 06/18/2025)

2. Hispanic Advisory Committee

- Position 5: 3-year term ending June 30, 2028 (Advertised 04/29/2025)

3. Library Board

- Position 3: 4-year term ending June 30, 2029 (Advertised 04/29/2025)

4. Airport Advisory Committee

- Position 2: Remaining 3-year term ending October 31, 2026 (Advertised 11/08/2024)
- Position 5: 3-year term ending October 31, 2028 (Advertised 06/18/2025)

5. Eastern Oregon Trade & Event Center (EOTEC) Committee

- Positions 6 & 7: 3-year term ending June 30, 2028 (Advertised 04/29/2025)

Deadline to apply for all Committees: Open Until Filled

Interested persons are asked to submit an application to City Hall, 180 NE 2nd Street, Hermiston, or at lalarcon-strong@hermiston.gov. Application forms are available at City Hall or on the City's website at <https://hermiston.or.us/volunteer>. If you have questions, please call Lilly Alarcon-Strong at 541-567-5521.

Proposed appointment and confirmation of these positions are made by the City Council. All appointments to city boards and commissions shall be made in accordance with the ordinances and city charter. Appointees shall not be full-time employees of the city, shall not be elected officials of the city, shall not be appointed to more than two boards or commissions at a time, and shall not sell to the city or its boards and commissions over which the council has appointive powers and budget control either directly as a prime contractor or supplier, or indirectly as a first-tier subcontractor or supplier. Sales shall be construed to mean sales, services or fees aggregating \$20,000 or more in any one calendar year. Preference for appointees shall be given to city residents.



CITY COUNCIL

Work Session Meeting Minutes July 14, 2025

Council President McCarthy called the work session meeting to order at 6:00pm. Present were Councilors Roberts, Duron, Linton, Kelso, and Barron. Mayor Primmer and Councilors Hayward and Myers were excused. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Ignacio Palacios, Chief Jason Edmiston, Court Administrator Jillian Viles, and City Recorder Lilly Alarcon-Strong.

City Charter Review

City Manager Smith gave information (PowerPoint Presentation attached) regarding the City Charter, stating the City Charter is like the Constitution of the City, it is the People's Document as electors vote on all items in the Charter; reviewed Hermiston's Charter History, when adopted and modified; why a charter review is needed and necessary to keep up with changing times and circumstances; staff recommended specific Charter areas to consider, ie: Ward Boundaries, Council Structure/Ward Election Procedures, Ordinance Adoption Procedure, Municipal Judge Election, City Manager Residency, and City Attorney Hiring, as well as recommendations to assemble a seven member Charter Review Committee to review these items and the entire Charter document, and spoke regarding the importance of local government.

City Manager Smith addressed questions from the Council stating:

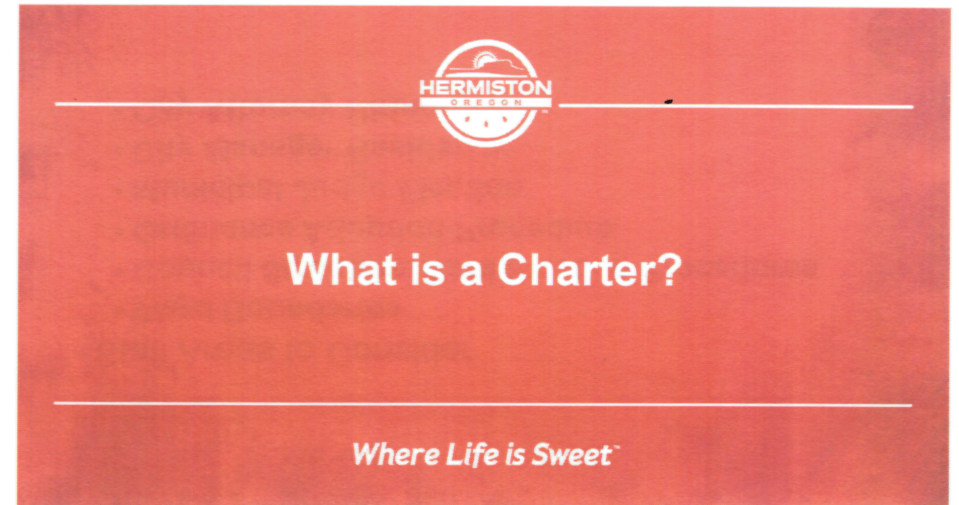
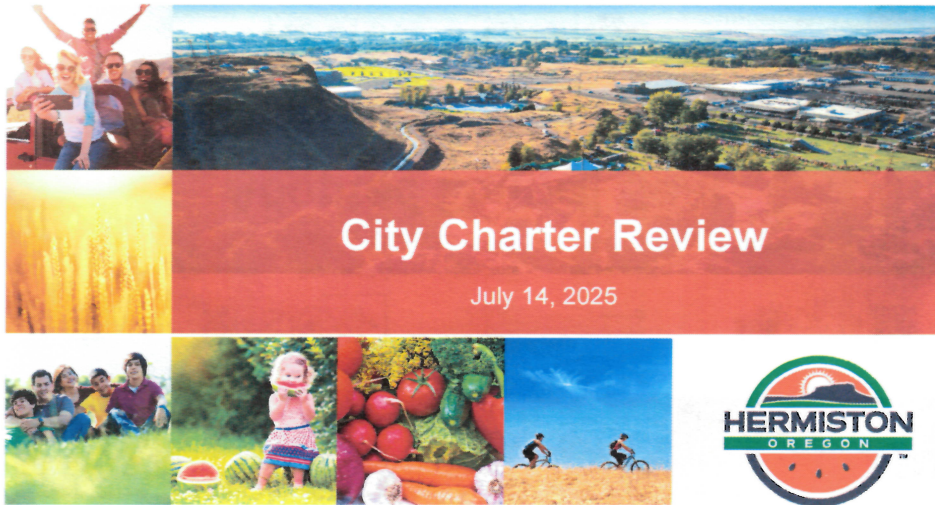
- Current ward boundaries have been unequal in population as development continues to grow
- Does not believe changing ward boundaries will increase persons running for office
- Allowing all electors to vote for ward candidates can have legal implications as the city of Pasco, Washington recently went through this scenario
- Low costs associated with doing this review in-house with members of the public and staff support

The Council also spoke regarding Umatilla County having the lowest voter turnout in the State, providing more education on the election and city processes to try to get more people interested and involved, support for the Charter Review Committee, and having the Mayor appoint himself or a member of the Council to be a Council liaison.

City Manager Smith stated he will present the Council with a resolution incorporating the items discussed for Council review and adoption at the next City Council meeting.

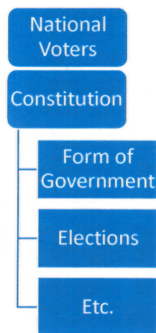
Adjournment

Council President McCarthy adjourned the work session meeting at 6:31pm and stated the regular council meeting would convene at 7:00pm.

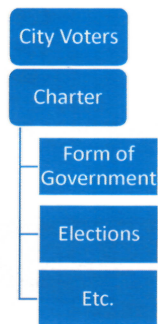


Charter Review

United States



City of Hermiston



Charter Review

Municipal Home Rule

The journey of a local government is one fraught with challenges and achievements, successes and failures, risks and rewards. One of the most interesting things about local governments is the flexibility they have in forging their own paths. Within some constraints set by state law, municipal governments create their own futures through the decisions made by citizens and local elected officials. One important way that a local government controls its own destiny is through its charter.



Charter Review

- History of Hermiston Charter
 - **Original Adoption on March 15, 1910**
 - **Modified by several amendments on the following dates:**
 - January 24, 1943
 - July 26, 1965
 - May 24, 1966
 - April 3, 1967
 - October 14, 1970
 - March 2, 1976
 - March 8, 1977
 - December 20, 1977
 - November 2, 1982
 - November 8, 1960
 - May 1, 1959
 - May 18, 1956
 - May 18, 1999
 - November 2, 1954
- **Current Charter Adopted 2015**



Why Charter Review?

Where Life is Sweet™

Charter Review



Change in the
Law



Complexity



Representation



Structure



Accountability



Poor
Performance



Standard
Practice

Adopted Council Goal
10 Year's Since Adoption
Review ≠ Change



Charter Review Items

- Staff Areas to Consider
 - **Ward Boundaries**
 - **Council Structure/Ward Election Procedures**
 - **Ordinance Adoption Procedure**
 - **Municipal Judge Election**
 - **City Manager Residency**
 - **City Attorney Hiring**



Charter Review Process

- 2015 – A Council Driven Process
- National Civic League/League of Oregon Cities
- Staff Recommendation
 - **Seven-member charter review committee with the assistance of City Staff (manager, attorney, recorder)**
 - **Recommendation to Council for Final Review and Possible Referral to Ballot**



Charter Review

Of all levels of government, local government is by far the most common point of contact for the average citizen. In fact, it is difficult to imagine any important aspect of American life that is insulated from the influence of local government. An individual may interact with federal or state agencies a handful of times in an entire lifetime, but he or she will interact with local government employees on a much more frequent basis—while speaking to a police officer, paying a water bill or greeting the people who have come to collect the garbage.



DISCUSSION!

Where Life is Sweet



CITY COUNCIL

Regular Meeting Minutes

July 14, 2025

Council President McCarthy called the regular meeting to order at 7:00pm. Present were Councilors Roberts, Duron, Linton, Kelso, and Barron. Mayor Primmer and Councilors Hayward and Myers were excused. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Ignacio Palacios, Chief Jason Edmiston, Planning Director Clint Spencer, Court Administrator Jillian Viles, and City Recorder Lilly Alarcon-Strong. The pledge of allegiance was given.

Citizen Input on Non-Agenda Items

Wayne Welle, 745 E Quince Ave- Mr. Welle's stated he represents many of the neighbors living in this area wanting to address the area's hub of criminal behavior specifically dealing with drugs and prostitution at 435 SE 8th St. Mr. Welle's stated many individuals coming and going from this residence display threatening behavior, yelling, passing out, and disrupt the once peaceful neighborhood directly impacting livability. The Police Department responds to calls daily, and although the work they do is appreciated, it is also limited, and therefore, this issue persists. Mr. Welle's asked that the Council help address this very serious issue which impacts not just all in the neighborhood, but also the most vulnerable- children and the elderly.

Manuel Gutierrez, 750 E Quince Ave- Echoed Mr. Welle's comments emphasizing the need to protect children living in the neighborhood and the frequency in which the police department is at the identified address.

Consent Agenda Items

Councilor Roberts asked to remove items D and Councilor Linton asked to remove item F from the Consent Agenda. Councilor Barron moved, and Councilor Roberts seconded to approve Consent Agenda item A-G, with the exception of items D & F, to include:

- A. Committee Vacancy Announcement
- B. Recommendation to reappoint Luke Swanson to Position #6 of the Eastern Oregon Trade & Event Center Committee for a 3-year term ending June 30, 2028
- C. Recommendation to reappoint Alberto Munoz to Position #5 of the Hispanic Advisory Committee for a 3-year term ending June 30, 2028
- E. Minutes of the June 23, 2025, City Council Regular Meeting
- G. Grant of Easement to UEC

Motion carried unanimously.

Items Removed From the Consent Agenda

- D. Award Funding through the Transient Room Tax (TRT) Recreation Projects Grants.

Councilor Roberts stated the TRT expenditures are significant and asked that more information be given regarding the distribution of \$125,000.

City Manager Smith stated the \$125,000 is a conservative estimate, however there is adequate funding available and the City has also received additional funding as well.

Councilor Linton asked if there were applicants that did not receive the funds they applied for.



CITY COUNCIL

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Council President McCarthy answered yes, some did not receive funds and others did not receive all the funds they requested. Committee members met for about three hours reviewing, discussing, and coming to an agreement on allocation, which was difficult because everyone is deserving.

Councilor Barron stated he would like to have more details about the applications and requests similar to how HURA presents recommendations.

Councilor Duron agreed and thanked the committee members for the work they do and the positive impact they are contributing to the youth through these awards.

Councilor Kelso stated all applicants have worthy causes and as a previous member of that Committee, he can attest to how difficult it was to make funding decisions and wished there was more money to grant.

Councilor Barron stated he wanted to clarify that he was not in attendance or a part of this Committee although the Staff Report for this item states he was present.

City Manager Smith stated Parks and Recreation Director Artz will be made aware of this error to make sure minutes and future documents are accurate.

Councilor Duron moved, and Councilor Roberts seconded to approve consent agenda item D. Motion carried unanimously.

F. Grant of Easement to Windwave Communications for Fiber Optics

Councilor Linton asked who requested the easement and if the City would only grant easements such as this to Windwave Communications for Fiber Optics.

City Manager Smith stated Windwave requested the easement and the City would work with any fiber optics company with similar requests.

Councilor Duron moved, and Councilor Roberts seconded to approve consent agenda item F. Motion carried unanimously.

Public Hearing – Zoning Map Amendment 4N2811AD Tax Lot 100 The HUB Hermiston, LLC 963 E Diagonal Blvd (Ordinance No. 2372)

After hearing no declarations of conflict of interest from the Council, City Planner Spencer read the hearing guidelines and Council President McCarthy opened the hearing at 7:27pm.

City Planner Spencer gave information (PowerPoint presentation attached) regarding the split zoned property of Medium-High Density Residential (R-3) and Outlying Commercial (C-2). The applicant seeks to amend the zoning designation from C-2 by adding the Neighborhood Commercial Overlay (NCO) as the NCO designation adds multi-family housing and mini-storage to the permitted C-2 uses. The rezone is part of a broader application for the development of a 270-unit multi-family complex and 68-unit mini-storage development.



CITY COUNCIL

Regular Meeting Minutes

July 14, 2025

City Planner Spencer stated supplemental information was forwarded to the Council earlier today and will be made part of the record (attached) regarding ODOT's concerns and proposed future long-term strategy to make improvements to the areas addressed due to the proposed HUB development.

Hearing no proponents, opponents, or neutral parties who wished to give public testimony, Council President McCarthy closed the hearing at 7:35pm.

After addressing additional questions from the Council, Councilor Barron and Duron thanked the City and ODOT for the great engineering work done to keep Hermiston growing while keeping safety at the forefront. Councilor Linton moved, and Councilor Barron seconded to approve the Findings of Fact as described in the agenda packet. Motion carried unanimously.

Ordinance No. 2372- Zoning Map Amendment 4N2811AD Tax Lot 100 The HUB Hermiston, LLC 963 E Diagonal Blvd- City Manager Smith stated this item was presented during the Public Hearing section.

Councilor Kelso expressed his excitement about additional market-rate rentals in Hermiston.

Council President McCarthy requested that the first reading be by title only. Hearing no opposition, City Attorney Richard Tovey read the ordinance by title only. Council President McCarthy requested that the ordinance be put on for final adoption at this meeting and that the second reading be by title only. After City Attorney Richard Tovey read the ordinance by title only, Councilor Duron moved, and Councilor Roberts seconded that Ordinance No. 2372 be adopted and become effective 30-days after adoption by the City Council. Motion carried unanimously.

Resolution No. 2381- Development Incentive Agreement with The HUB Hermiston, LLC

Assistant City Manager Morgan gave information (PowerPoint Presentation attached) regarding a development incentive agreement intended to stimulate construction of 276 market-rate rental units by having the City pay the developer equal to 66% of what they will have paid in property taxes to the City from 2025-2031.

Councilor Linton expressed her discontent with the proposed development incentive agreement stating that she does not agree with giving developers money while the City is charging people for business licenses and Police Department costs and asked if similar incentives were offered to other developers and if the City could guarantee no future fees would be raised to residents if incentives were offered in the future.

City Manager Smith and Assistant City Manager Morgan stated incentives have been offered to many developers, however they have all been rejected as developers can build the same project for about the same amount of money in other parts of the state, like Portland and Bend, but receive much higher rents. The City cannot guarantee fees will not increase but do not foresee that this development will be the cause of any fee increases.



CITY COUNCIL

Regular Meeting Minutes

July 14, 2025

Councilor Barron, Kelson, Roberts, Duron, and McCarthy expressed support for the incentive and development of the HUB's 276 market-rate rental units stating this has been a City and community goal for over 10 years as market-rate rental housing has been greatly needed in Hermiston. The development will not be a city burden but a city investment as it will bring in a great deal of property taxes after the incentive time frame has passed, as currently the property taxes being received for the undeveloped property are miniscule. They thanked City staff and developers for the opportunity to provide housing as many individuals and families leave Hermiston when they cannot find housing.

Councilor Kelso moved, and Councilor Roberts seconded to approve Resolution No. 2381 and lay upon the record. Councilor Roberts, McCarthy, Duron, Kelso, and Barron voted in favor; Councilor Linton voted against. Motion carried 5-1.

Ordinance No. 2373- Amends the City's annexation procedures in Chapter 150 to reflect streamlined

annexation procedures in ORS 222.125- Planning Director Clint Spencer presented information regarding a streamlined annexation procedure allowed in limited circumstances for properties with 100% owner support for annexation. This procedure has been in state law for many years but not incorporated into the Hermiston Municipal Code. This would save time and money for people that request annexation and there is no opposition to the annexation by owners or residents of the property.

Council President McCarthy requested that the first reading be by title only. Hearing no opposition, City Attorney Richard Tovey read the ordinance by title only. Council President McCarthy requested that the ordinance be put on for final adoption at this meeting and that the second reading be by title only. After City Attorney Richard Tovey read the ordinance by title only, Councilor Kelso moved, and Councilor Duron seconded that Ordinance No. 2373 be adopted and become effective 30 days after adoption by the City Council. Councilor Roberts, McCarthy, Duron, Kelso, and Barron voted in favor; Councilor Linton voted against. Motion carried 5-1.

July 2025 Council Goal Update

City Manager Smith gave Council Goal updates from spreadsheets found in the agenda packet. There were some questions regarding feasibility, partnerships, and possibly building the Health, Aquatic, and Wellness Center at the current Aquatic Center facility. City Manager Smith stated the current Aquatic Center location is one of the sites under consideration. However, the Task Force is still working on this front and City Manager Smith will present the Council with more information later this year.

Council President McCarthy stated this item was for information only and no action is being requested.

Committee Reports

Recreation Projects Fund Advisory Committee- Councilor McCarthy stated the TRT Award Funding was approved earlier in the meeting.

Hispanic Advisory Committee- Councilor Duron stated the Committee is not meeting during the summer months as they continue planning for the Hispanic Heritage Month Celebration, which is tentatively scheduled for Sunday, October 5th from 3pm-7pm. More information to come.



CITY COUNCIL

Regular Meeting Minutes

July 14, 2025

Parks and Recreation Advisory Committee- Councilor Duron stated the Committee has not had a quorum in many months and meetings are often cancelled as members are not attending meetings regularly, which has been a growing concern, and wondered if this was also an issue with other Committee's and Boards.

- Council President McCarthy asked that removal of inactive members be considered per the Committee rules and that City Manager Smith and Parks and Recreation Director Artz discuss this further.

Council Presidents Report

Councilor McCarthy spoke regarding:

- 4th of July Celebrations in Hermiston and Stanfield
- Thanked the Chamber of Commerce for their efforts putting on the Summer Mixer
- Fair Parade on Saturday, August 2nd and asked that the Council reply to City Recorder Alarcon-Strong regarding various emails sent

Council Reports

Councilor Roberts and Duron spoke regarding the most recent City Chat at Cuppa Yo stating there were not as many participants as expected but conversations were very engaging and spoke regarding suggestions they received for the next 4th of July Celebration to include replacing fireworks with a drone show.

Council President McCarthy suggested Councilor Duron bring this suggestion to the Parks and Recreation Advisory Committee.

Councilor Barron stated he will not be at the next City Council meeting.

Councilor Kelso thanked the City and KOHU for a great firework show.

Councilor Linton asked that City Chats continue as she has heard many people state they want to attend as they are unable to attend City Council meetings.

City Manager's Report

City Manager Smith stated he will be preparing a report to share with the Council regarding the various City Chats.

Adjourn

There was no other business and Council President McCarthy adjourned the regular City Council meeting at 8:52pm.

SIGNED:

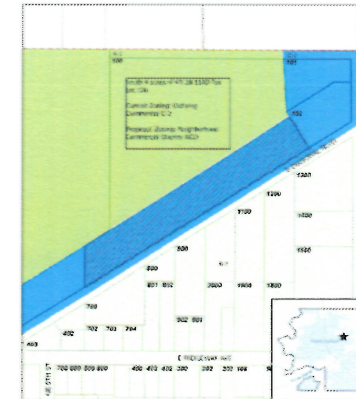
David McCarthy, Council President

ATTEST:

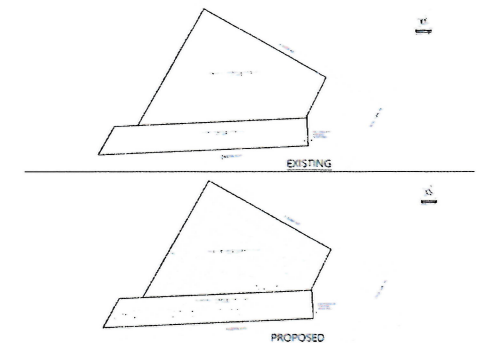
Lilly Alarcon-Strong, CMC, City Recorder



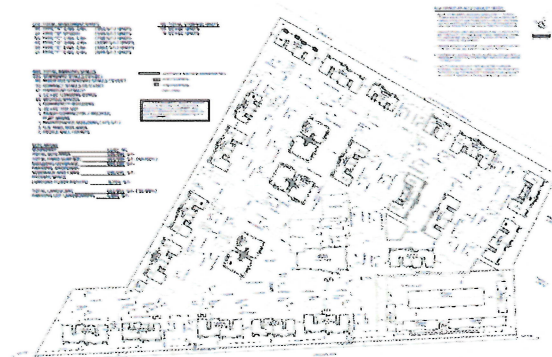
Rezone – The Hub LLC



Rezone – The Hub LLC



Rezone – The Hub LLC





Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 14, 2025

Title/Subject

Supplemental Information

Zoning Map Amendment 4N2811AD Tax Lot 100 The HUB Hermiston, LLC 963 E Diagonal Blvd

Summary and Background

As noted in the original staff report for this item, ODOT has raised concerns over the site trip generation and impacts on the intersection of Highways 207 and 395 at Elm Ave and N First Street. According to the applicant's traffic study this intersection currently operates at or near capacity during peak hours. The proposed multi-family development adds between 1.9 and 2.2 percent more trips to this intersection at peak hours. The applicant's engineers have proposed several mitigations for the intersection, all of which have been rejected by ODOT staff. However, the permitting approved by the planning commission for the multi-family development requires the applicant to contribute 2% of the eventual cost of the intersection improvements based on the proportional impact of the development.

City and ODOT staff have been working and negotiating continuously since the planning commission meeting on June 11 to resolve this issue and develop a long term strategy to improve the subject intersection. Attached is a correspondence from Ken Patterson, the Region 5 ODOT manager. The city and ODOT have agreed at a high level to enter into an IGA for future improvements to the Elm/395 intersection. This agreement allows the city to exact financial contributions from developers that are impacting the intersection and begin banking funds for future improvements. This agreement allows the city determine the appropriate contribution and will remove intersection improvements as a sticking point for future development proposals. It also allows the city and ODOT to consider cost effective mitigation strategies or even alternate circulation plans to minimize future cost.

With an IGA framework in place, city staff have determined that there is no change to the staff recommendation and we continue to recommend adoption of Ordinance 2372 and no change to the conditions of approval imposed by the planning commission.

Tie-In to Council Goals

This development satisfies council goal 1.7 – *Attract market rate rental housing developments to increase middle housing inventory*

Fiscal Information

Until the property is fully constructed and assessed, it is difficult to produce an accurate statement of fiscal impact. However, similar multi-family developments county-wide have valuations of over \$20,000,000 and produce approximately \$250,000 in annual property tax revenue.

Alternatives and Recommendation**Alternatives**

The city council may choose to accept the proposed map changes and adopt Ordinance No 2372 or deny Ordinance No 2372 and maintain the current zoning designation.

Recommended Action/Motion

Staff recommends that the city council accept the planning commission recommendation and adopt Ordinance No 2372.

Motion to adopt findings of fact.

Motion to adopt Ordinance No 2372.

Submitted By:

C.F. Spencer, Planning Director

Clinton Spencer

From: PATTERSON Kenneth E <Kenneth.E.PATTERSON@odot.oregon.gov>
Sent: Monday, July 14, 2025 11:05 AM
To: Byron Smith; Mark Morgan; Clinton Spencer; LANI Richard; JARVIS-SMITH Cheryl; PENNINGER Teresa B
Subject: The HUB Development IGA.

[EXTERNAL EMAIL] - STOP and VERIFY - This message came from outside of the City of Hermiston

Byron/Mark/Clint:

The intersection of US395 and Elm Street (OR207) is experiencing continued traffic growth from multiple sources, including developments in the Hermiston Area. As developers seek permits, the added traffic at US 395 and Elm creates potential traffic mitigation requirements. This creates one-off situations and mitigations that might not be beneficial in mitigating impacts in the long term. ODOT would like to enter into an Intergovernmental Agreement (IGA) to address long term solutions in this area and provide more flexibility to the highway system, City and developers. This IGA would include the following:

- Future project would be a 50/50 cost share between ODOT and the City of Hermiston at such time both parties have obtained funding.
- City would collect their share from current and future developments when applicable and in the amount that is consistent with City development codes.
- ODOT and City will work to find the most cost effective project that minimizes costs for both parties and improves or preserves intersection function.
- This agreement is being developed to simplify the traffic mitigations efforts for developments that have an impact on traffic at US395 and Elm.

I hope this helps with the current and future development actions that the City is considering. Please let me know if this looks okay or if there are any questions.

Thank you,

Ken Patterson, Region Manager
 ODOT Region 5
 3012 Island Avenue
 La Grande, OR 97850
 Direct 541-963-1365
 Cell 541-786-8078
 kenneth.e.patterson@odot.oregon.gov (new email address)

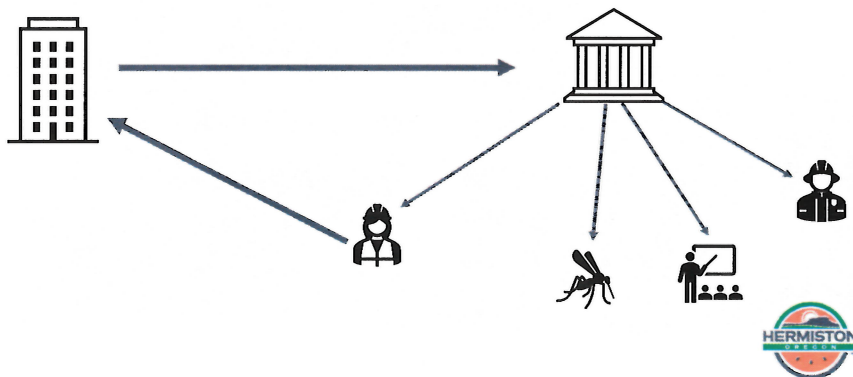


Summary

- Incentivize 276 Market-Rate Apartment Units
- ~\$1.3M Cash Over 5 Years
- Equal to 66% of local property taxes paid
- All tax entities get revenue as normal
 - HSD, UCFD1, BMCC, County, City, etc.



Concept Cycle



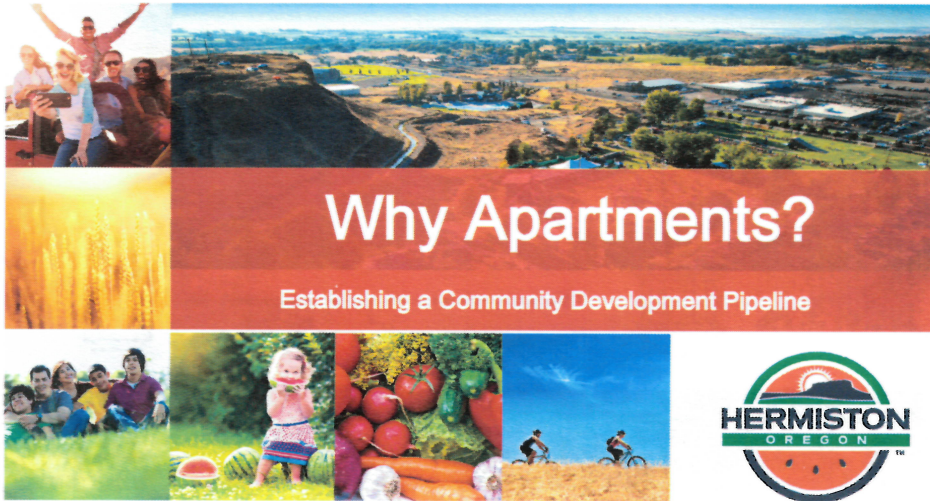
Carrot & Stick Incentive

- City pays declining % of Tax Bill Through 2031

Table 1. % of Total Property Tax Bill Paid For By City of Hermiston By Year


2026	2027	2028	2029	2030	2031
100 %	100 %	75 %	50 %	50 %	25 %





Why Apartments?

Establishing a Community Development Pipeline





New Construction Realities

- Single Family Homes Since 2020: Avg. 108/yr
- Income-Restricted Rentals Since 2019: Avg. 28/yr
- Market-Rate Apartments Past 10 Yr: 0





Apartment Challenges

- Despite More Affordable Land, All Other Costs Mostly Same
 - Materials
 - Framing
- Rents Higher Elsewhere = More Profit Elsewhere
 - Portland Metro
 - Bend
 - Tri - Cities

Hypothetical New Resident

- 22 Year Old
- Recent College Graduate
- New Teacher at HSD
- Single/No Dependents
- \$50,000/yr Salary





Subsidized Apartment?

- Income Too High for single adult
- Student Debt Not Included in Qualifications



Buy a House?

- Proposing on the 1st Date
- No “roots” could move in a couple of years
- Student Loan Debt = Un-Affordable anyway



Rent a House?

- \$1,800/mo
- Find Roommates?
- Yard Maintenance?



Rent Apartment in Kennewick?

- Rent roughly same
- More “Ammenities”
 - Larger Dating Pool
 - Restaurants
 - Shopping
 - Etc.





Community Loss from Commuter

- New Car from McCurley rather than Sherrel Chevrolet
- Oil Changes/Tires/Insurance
- Eat in Tri-Cities rather than Delish Bistro
- Etc.

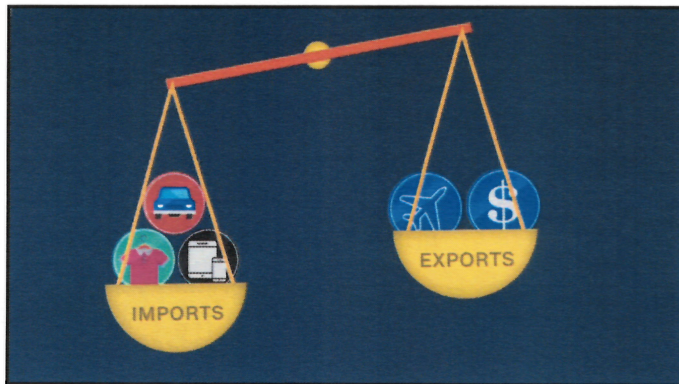


LongTerm Community Loss

- Eventually meet significant other (Tri - Cities Worker?)
- Eventually marry & buy home in Kennewick
- Eventually have kids & take a job in Tri-Cities
- 10-Years in: Two 32yo Teachers Earn \$150,000/yr



LongTerm Economic Loss



LongTerm Economic Loss



97838 vs TriCities Labor Imbalance

Job Counts by Counties Where Workers Live - All Jobs

	2022 Count	Share
All Counties	13,815	100.0%
Umatilla County, OR	8,988	65.1%
Benton County, WA	971	7.0%
Morrow County, OR	803	5.8%
Franklin County, WA	315	2.3%
Union County, OR	249	1.8%
Multnomah County, OR	211	1.5%
Washington County, OR	162	1.2%
Marion County, OR	141	1.0%
Lane County, OR	128	0.9%
Clackamas County, OR	119	0.9%
All Other Locations	1,728	12.5%

Imported
Workers
1,286

Exported
Workers
701

Net-Imported
Workers
585

Job Counts by Counties Where Workers are Employed - All Jobs

	2022 Count	Share
All Counties	11,840	100.0%
Umatilla County, OR	7,826	66.1%
Morrow County, OR	1,075	9.1%
Benton County, WA	525	4.4%
Multnomah County, OR	336	2.8%
Marion County, OR	183	1.5%
Franklin County, WA	176	1.5%
Union County, OR	126	1.1%
Washington County, OR	115	1.0%
Deschutes County, OR	106	0.9%
Walla Walla County, WA	98	0.8%
All Other Locations	1,274	10.8%



97838 vs TriCities Wage Loss

Net-Imported
Workers
585

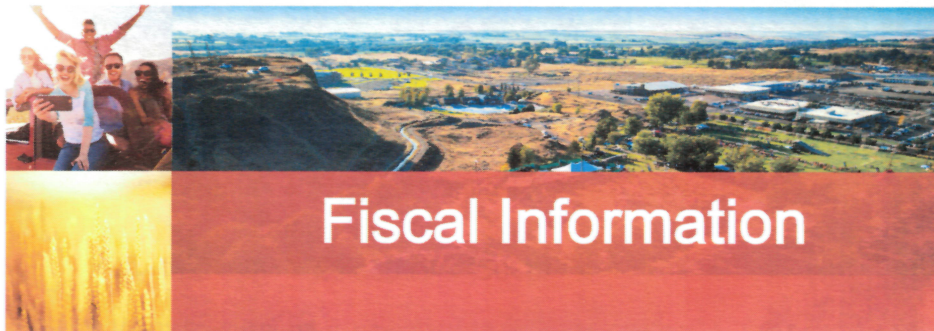


Umatilla County
Avg. Wage*
\$40,230



Net-Exported 97838
Wages to Tri-Cities
\$23,534,000

*Source: Business Oregon, 2023



Fiscal Information



Summary

- All tax entities get revenue as normal
 - HSD, UCFD1, BMCC, County, City, etc.
- Developer Receives ~\$1.3M Cash Over 5 Years
 - Highest Confidence
 - Realistic Range: \$1.1M- \$1.5M





\$1.3M: SanityCheck

- \$1.3M/276 Units = \$4,700/Unit
- Morrow County = \$5,000/Unit (2012)
- Gilliam County = \$104,000/Unit (2025)



Cost Estimate Details

- \$1,340,320
- Value Estimate
- Construction Timing
- Range: \$1.1M-\$1.5M



Assumptions Value

- Taxable Value: Looked at Actual Taxes Paid at Comps, to get a per-unit estimate, then scaled-up by 276.
- Total Estimated Annual Tax Bill: \$564,000



Assumptions Timing

- Cert. of Occupancy Pre-January 1 → November Bill
- If ½ of total is taxable by 12/31/26, then tax owed in November, 2027 = \$282,000.

Table 2. % of Estimated Value On Tax Rolls Estimated by Year

2026	2027	2028	2029	2030	2031
5%	40%	90%	100%	100%	100%





Assumptions Total Tax Paid

- Total Estimated Annual Tax X Timeline
- Distributed as normal to:
 - City, School District, Fire District, Etc.

Table 3. Estimated Annual Property Taxes Paid by Year

2026	2027	2028	2029	2030	2031
\$28,217	\$225,738	\$507,911	\$564,346	\$564,346	\$564,346



Assumptions City Revenue

- City Receives 29% of all Taxes Paid in Table 3

Table 4. Estimated City of Hermiston Tax Revenue Received by Year

2026	2027	2028	2029	2030	2031
\$8,087	\$64,699	\$145,573	\$161,748	\$161,748	\$161,748



Assumptions Owed to The Hub

- Table 3 (Estimated Annual Taxes Due) combined with
- Table 1 (% of taxes Paid for by City)

Table 5. Estimated Amount Owed to Developer by Year

2026	2027	2028	2029	2030	2031
\$28,217	\$225,738	\$380,933	\$282,173	\$282,173	\$141,086




Assumptions Net Costs

- Refunded City Tax Revenue: \$703,603
- Other City Resources (Ezone): \$636,717
- Total Cost Paid to Developer: \$1,340,320








Liability

- Building Faster Than Anticipated
 - Property Taxes Paid Will Follow - Suit
 - City will receive 29% of increased/faster property taxes paid
 - Increased Liability will only scale up by 71%





Strategy- No Price Controls

- “Disappearing” Incentive (Table 1)
- Incentivize Faster Building → More Capacity → Flatten Rents
- Slower Building → “Market Setting” → Less Incentive






Questions?






Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 28, 2025

Title/Subject

Resolution No. 2382 – Establishing a Charter Review Committee and Process

Summary and Background

In the January 2025 Council Goal Setting process, a goal was approved to review the City of Hermiston Charter. The last time the charter was reviewed was in 2015 when the most recent version was adopted.

In the council work session of July 14, 2025 a consensus was reached to utilize a charter review committee to assist the council in the review of the charter. The proposed resolution was the outcome of that discussion.

Tie-In to Council Goals

4.3 Conduct Charter Review

Fiscal Information

Potentially some cost for a review of recommendations.

Alternatives and Recommendation

Alternatives

The city council may choose to:

1. Approve Resolution 2382 as presented.
2. Modify Resolution 2382 and adopt as amended.
3. Direct staff to make major changes and bring back to a future meeting.

Recommended Action/Motion

Recommend approval of Resolution 2382 as presented.

Submitted By:

Byron D. Smith, City Manager

RESOLUTION NO. 2382**A RESOLUTION ESTABLISHING THE CHARTER REVIEW PROCESS AND CHARTER REVIEW COMMITTEE**

WHEREAS, the City of Hermiston (“City”) City Charter (“Charter”) is essentially the constitution for the City; and

WHEREAS, the City should periodically review the existing Charter to determine if it adequately serves the community; and

WHEREAS, the Charter was last reviewed and amended in 2015; and

WHEREAS, the City Council has determined that it wishes to form a Charter Review Committee to make recommendations to the City Council about whether the Charter should be updated or changed.

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

1. That the City Council establishes a Charter Review Committee for the purpose of reviewing the City Charter in a comprehensive manner and advising the City Council with regard to potential proposed changes to the Charter and the possible referral of said changes to City voters at a future election.
2. That the Charter Review Committee shall consist of not more than seven (7) members made up of city electors appointed through the City Council committee vacancy review process.
3. That the Charter Review Committee shall be subject to and follow the document entitled “Expectations of the Charter Review Committee” attached as Exhibit A which is incorporated herein by this reference.
4. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 28th day of July 2025.

SIGNED by the Mayor this 28th day of July 2025.

Doug Primmer, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER

EXHIBIT A

EXPECTATIONS OF THE CHARTER REVIEW COMMITTEE

Purpose and Overview

The primary function of the Charter Review Committee ("Committee") is to review the existing Charter to determine if it will adequately serve the community well into the future. The Committee is to review and recommend to the City Council a proposed Charter, Charter amendment(s), or no changes to the Charter.

The Council requests the Committee begin holding its meetings in 2025. The Committee may recommend which election to place proposed changes to the Charter on the ballot and how to structure the ballot measure(s). For example, one ballot measure encompassing all the proposed changes, or multiple ballot measures proposing individual changes to the Charter. The Council may accept, amend, or reject the Committee's recommendations and for those recommendations that are approved, determine the best method to structure the ballot measure(s).

The Committee must be impartial, unbiased, and free of any perceived political gain. The Committee may approach the task in whatever means results in a document that best serves the citizens of Hermiston. The Committee must adhere to the Oregon Public Meetings law and strive to include and educate the community about the process and purpose of a Charter Review, the importance of a City Charter and to solicit community input on proposed changes prior to making a recommendation to the Council.

Membership

The Charter Review Committee shall consist of seven (7) members made up of city electors, living inside of city limits, who shall be appointed by the Council. The City shall hold an open recruitment for the members.

The City Council will appoint a member from among the confirmed members to serve as Chair of the Committee. The Mayor may appoint a Council Liaison, to be confirmed by the Council, who will act in a liaison role, and will not attempt to lobby or influence the Committee on any items under consideration and shall be a non-voting member of the Committee. The Charter Review Committee will adhere to the following:

Scope of Review

The Committee is authorized to review the entire Charter and to make recommendations to the Council on any aspect of the Charter. Specifically, the Council would like recommendations on the following issues/subjects:

- Geographic representation for Council members
- Ward Boundary Adjustment
- Elected or Appointed Municipal Court Judge
- The necessity of a city manager residency requirement
- Ordinance Adoption process
- City Attorney supervision/hiring

Meetings

Meeting dates will be set as determined by the majority of the Committee. Meetings will be held at City Hall or other City public facility and all meetings shall be open to the public. The Committee shall hold at least one publicly advertised public hearing and will consider written and oral testimony offered during the review process. At the first meeting, the Committee shall elect a vice-chair who will serve as Chair in the absence of the Chair. A quorum must be present to conduct business and is necessary to adopt a motion.

Motions

The Chair will strive to reach a consensus within the Committee whenever possible. Motions on changes to the Charter constitute tentative approval of such changes pending approval of the final report that contains all the recommendations to the City Council.

Staff Support

The city manager, city attorney, and city recorder shall do the following:

- Act in an advisory role to the Committee and attend all Committee meetings.
- Support the work of the Committee and assist the Chair/Vice Chair in preparing the agenda. Agendas will be mailed electronically to the Committee in advance of the meetings.
- Conduct research as needed.
- Review the existing Charter and identify housekeeping changes and present the changes to the Committee for its review.
- Prepare and explain substantive provisions for consideration and draft alternative provisions for discussion and consideration.
- Draft a Charter and revise the draft based on input from the Committee.
- Prepare a final version of the newly recommended Charter for Committee review and Council consideration.

In addition, staff will prepare minutes for the Committee meetings and will post to the City's web page all information related to the Committee's proceedings. Should the Committee require additional staff support beyond what is provided, a request will be made to the City Manager.

Duration

The Charter Review Committee shall terminate at the time of recommending to the Council a proposed Charter, Charter amendment(s), or no changes to the Charter. The Council encourages the Committee to complete their work within 6-9 months of appointment.



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 28, 2025

Title/Subject

Resolution 2383 supporting an application by the city for a Housing Planning Assistance grant from the State of Oregon is proposed.

Summary and Background

The Oregon Legislature has passed housing bills in each legislative session since 2017. In 2020, the City received a grant from the State of Oregon to update the code to update the housing needs analysis and update the code to permit duplexes in all residential zones. These changes were statutory changes and mandatory for city compliance. The state has allocated funding for another round of housing assistance grants. The scope of the legislative changes is sweeping and the city code is out of date in several areas. Staff proposes to apply for this grant to perform a code audit and draft new code which is compliant with current legislation.

As part of the grant application packet, a resolution of support from the city council is required. If a resolution of support is not part of the packet, the application will not be accepted.

This grant is state administered. DLCD will hire a consultant from a pre-approved pool, coordinate invoicing, and payment of the consultant. Staff works with the consultant and guides the process through work sessions and hearings. This process worked well in the 2020 update. It is also very low cost for the city, requiring only staff time for a match.

The areas of the residential code proposed for updating include the following:

- Middle housing updates to comply with the upcoming 25,000 population requirement for additional middle housing types to be allowed in all residential zones
- Moving required land use actions to a limited land use process rather than quasi-judicial process
- Creating middle housing and expedited land division processes
- Updating the manufactured dwelling and prefabricated dwelling standards
- Creating affordable housing in commercial zones standards

- Creating single-room occupancy standards
- Other updates as identified through the code audit process

Tie-In to Council Goals

Council goals 1.7, 1.8, and 1.9 all tie in to promotion of housing development. In order to protect the city's ability to continue to develop housing, compliance updates are needed in the code.

Fiscal Information

The grant is administered as a state-sponsored grant. As such, the funds do not pass through the city but pass directly from the state to the contractor. However, matching funds are encouraged. Staff has prepared an estimate of staff time for the project. It is estimated that \$9,000 in staff time will be used over the course of the grant.

Alternatives and Recommendation

Alternatives

The city council may choose to approve or deny Resolution 2383.

Recommended Action/Motion

Motion to approve Resolution No. 2383 and authorize the city to apply for a Housing Planning Assistance grant.

Submitted By:

Clinton Spencer, Planning Director

RESOLUTION NO. 2383**A RESOLUTION AUTHORIZING THE HERMISTON PLANNING DEPARTMENT TO
APPLY FOR A HOUSING PLANNING ASSISTANCE GRANT FROM THE OREGON
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT**

WHEREAS, the Oregon Department of Land Conservation and Development is accepting applications for the Housing Planning Assistance grant program; and

WHEREAS, the Oregon Legislature has adopted several housing related bills during the 2020, 2022, 2024, and 2025 sessions which are not reflected in the Hermiston Municipal Code Title XV; and

WHEREAS, the City desires to participate in this grant program to update the development code to reflect statutory changes; and

WHEREAS, the City will use in-kind staff time as matching funds for this project; and

WHEREAS, updating of the municipal code to match statutory requirements is necessary for the protection of the city and the population as a whole,

NOW, THEREFORE THE CITY OF HERMISTON RESOLVES AS FOLLOWS:

1. That the City Council demonstrates its support for the submittal of a grant application to the Oregon Department of Land Conservation and Development for a Housing Planning Assistance grant.
2. That this resolution is effective immediately upon its passage.

PASSED by the Common Council this 28th day of July, 2025.

SIGNED by the Mayor this 28th day of July, 2025.

Doug Primmer, MAYOR

ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER



Department of Land Conservation and Development 2025-2027 HOUSING PLANNING ASSISTANCE APPLICATION

Please complete each section in the form below. Fill out the requested information in the spaces provided. **For applicants requesting multiple services, submit a separate form for each. Submit completed applications by midnight on August 4, 2025.**

Date of Application: July 30, 2025

Applicant (Jurisdictional Entity): City of Hermiston

If applying on behalf of a jurisdiction or pursuing a joint project, please also include the recipient jurisdiction name(s)

Contact Name and Title: Clinton Spencer, Planning Director

Contact e-mail address: cspencer@hermiston.gov

Contact phone number: (541)667-5025

Requested Service:

	Direct Grant (& budget estimate)	DLCD-Provided Consultant
Housing Planning Assistance Projects		
Development Code Amendment	<input type="checkbox"/> \$	<input checked="" type="checkbox"/>
Housing Capacity Analysis (HCA) ¹	<input type="checkbox"/> \$	<input type="checkbox"/>
Housing Production Strategy (HPS)	<input type="checkbox"/> \$	<input type="checkbox"/>
Housing Implementation Plan (Housing planning activities other than an HCA or HPS)	<input type="checkbox"/> \$	<input type="checkbox"/>
Urbanization Planning Assistance Projects		
Urban Growth Boundary Land Exchange	<input type="checkbox"/> \$	<input type="checkbox"/>
Urban Growth Boundary Amendment ²	<input type="checkbox"/> \$	<input type="checkbox"/>
One-Time Urban Growth Boundary Amendment ³	<input type="checkbox"/> \$	<input type="checkbox"/>
Urban Reserves	<input type="checkbox"/> \$	<input type="checkbox"/>
Public Facilities Area Plan	<input type="checkbox"/> \$	<input type="checkbox"/>
<p>1. Housing Capacity Analyses initiated under this Housing Planning Assistance Program are expected to be conducted under the Oregon Administrative Rules implementing the Oregon Housing Needs Analysis that the Land Conservation and Development will adopt in December 2025.</p> <p>2. A UGB amendment requires a land deficiency identified in a Housing Capacity Analysis.</p> <p>3. As provided in SB 1537 (2024) Section 48-60.</p>		

Project Title: Hermiston Housing Code Legislative Update

Project Summary: (Summarize the project and products in 50 words or fewer)

Hermiston seeks to update the zoning code to reflect legislative changes since 2020 which have rendered several code provisions in need of revision. Compliance with middle housing, accessory dwellings, and manufactured housing are the priority updates. Additional updates for residential compliance are proposed if funding allows.

Project Description & Work Program

Please carefully review the attached Sample Work Program applicable to your jurisdiction's proposed project. The work programs included represent typical tasks and work products associated with common project types. If you expect the project to be substantially similar (i.e. there may be minor variations, but major project deliverables align with applicant expectations) to the project included in the Sample Work Program, the applicant does not need to submit a work plan.

However, if the applicant anticipates a proposal for a project that is substantially different from the projects included in the Sample Work Program, please include an attachment detailing the proposed project, addressing each of the following in an attachment. *Applicants applying for distinct or unique projects are expected to submit detailed applications that specify the work tasks, products, and timelines unique to their project. Priority will be given to applications that provide well-defined tasks, products, and timelines.*

Is the jurisdiction planning to utilize the applicable Sample Work Program as the project statement of work? Yes ☒ No ☐

If "yes", please skip to the "Tasks, Timelines, and Budget" section below. If "no", please attach a detailed work program including the following.

A. Goals and Objectives. The purpose of housing planning assistance projects is outlined in the attached Sample Work Program for reference. Please state the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.

B. Products and Outcomes. Please describe the product(s) and outcome(s) expected from the proposed project in detail, including a brief description of any anticipated significant effect the project would have on development, livability, regulatory streamlining, and compliance with state/federal requirements, equitable socioeconomic benefits, or other relevant factors.

C. Work Program, Timeline & Payment. Please include a comprehensive work program describing the specific tasks, timelines, expected budget, and deliverables. Public engagement is a necessary component of any planning process but may be tailored to fit the project context. Some projects, such as code amendment or technical projects, may not require extensive engagement in comparison to major projects with substantial local policy impacts. If other changes are necessary, please consult with your Regional Representative. * Budget estimates are only required for Direct Grant requests. Applicants requesting DLCD-provided consultants can leave this field blank.

Tasks, Timelines, and Budget

List and describe the major tasks, including:

- The title of the task;
- Anticipated timeline for each task, including the tentative start date after the grant agreement or consultant contract is executed, task completion dates, and project completion date. Note that all tasks must be completed before the end of the biennium. We request that project timelines conclude no later than June 15, 2027;
- For direct grant projects, anticipated budget for all tasks; and
- Expected local contribution, including budget, staff time, and resources.

Task	Title	Timeline (Month, Year)	Estimated Budget*	Local Contribution
1	Project Kick-off	12/25 to 1/26	\$ _____	\$ 500
2	Code Audit	1/26 to 3/26	\$ _____	\$ 2,000
3	Develop Compliant Code	3/26 to 6/26	\$ _____	\$ 4,000
4	Public Worksession and Open House	6/26 to 7/26	\$ _____	\$ 500
5	Final Code Revision	8/26 to 10/26	\$ _____	\$ 1,000
6	Adoption	12/26 to 1/27	\$ _____	\$ 1,000
7		_____ to _____	\$ _____	\$ _____
8		_____ to _____	\$ _____	\$ _____
TOTAL		_____ to _____	\$ _____	\$ _____

If the project is part of a multi-year program, provide an overview of the expected timelines in sequence of expected start dates and completion date for each phase and describe subsequent phases to be completed. **If the following spaces are not sufficient for your responses, you may attach a separate document with additional information. Please clearly indicate the question number and/or prompt with each response to ensure it aligns with the application form.**

Project Criteria and Additional Information

- 1. Evaluation Criteria.** Include a statement that addresses the program priorities and evaluation criteria presented in the application instructions ("Eligible Projects and Evaluation Criteria").

The project is focused on Priority 1, "Fulfilling Housing Related Statutory Obligations." Planning staff have identified many legislative changes which are not reflected in the development code. Hermiston's population of 20,000 requires prudent planning for the middle housing triggers at 25,000 in population. The desire of the city council and staff is to have all middle housing ready and in the code prior to hitting the population trigger. Additionally, staff have identified statutory non-compliance with ORS 197A.420, ORS 197A.425, and ORS 197.475. Furthermore, middle housing land division requirements in ORS 92.031 should be implemented. Staff began work on potential amendments in 2025 but the code amendments were postponed until HB 2135 was passed in the 2025 session so that those amendments will be captured as well. The most efficient use of funding is capture as many statutory changes as possible in one funding cycle.

Other deficiencies in the code relate to mandatory housing adjustments and limited land use decisions for replats and non-conforming use expansions (SB 1537). Residential partition calendar requirements have been changed by HB 4063. Residential use for affordable housing in commercial zones, single-room occupancy requirements, and emergency shelter siting have been changed by HB 3395. The code audit portion of the work plan is expected to reveal additional areas of potential code revision. Use of the Policy Development Code Amendment Work Program is proposed for this application.

- 2. Project Partners.** List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (*e.g.*, will perform work under the grant; will advise; will contribute information or services, etc.). If the project includes multiple jurisdictions, briefly describe the capacity and support of those jurisdictions to support and participate in the project.

Hermiston's development code is applicable only within the City of Hermiston and the Hermiston urban growth boundary. However, the urban growth boundary area is jointly managed by the City of Hermiston and Umatilla County with both entities issuing residential permits in this area. Umatilla County will coordinate during the code audit and code drafting stages, providing review and comment. Additionally, Umatilla County will co-adopt revisions to the Hermiston development code for applicability into the jointly managed urban growth boundary.

All post-acknowledgement code amendments are prepared in coordination with DLCD and ODOT. DLCD will provide technical assistance during the audit and code drafting stages, as well as project oversight since the city is proposing utilizing the DLCD provided consultant process. ODOT will review potential code amendments for Goal 12 compliance as necessary.

3. Advisory Committees. List any advisory committee or other committees that will participate in the project.

The Hermiston Planning Commission will act as the steering committee for this project. The planning commission has already hosted several housing workshops in the community and with local building representatives and is very familiar with the underlying statutory changes. The planning commission will host open houses to review the code audit and draft language development and then a second open house to review the final markup reflecting changes from the first open house session.

4. Cost-Sharing and Local Contribution. DLCD funds may comprise a portion of overall project costs; if so, please identify sources and amounts of other funds, staff time, or services that will contribute to the project's success. Cost-sharing (match) is not required, but recommended.

Staff time will be provided as an in-kind match for this project. Hermiston has utilized the DLCD provided consultant funding mechanism previously to develop middle housing compliance. This framework allows staff to guide the process and the local contributions listed in the timeline and budget section above are based on prior experience using a provided contractor.

Will a consultant be retained to assist in completing grant products? Yes ☒ No ☐

Will you be utilizing this funding to dedicate your own staff resources in completing grant products? Yes ☐ No ☒

Local Official Support

The application ***must include a resolution or letter from the governing body*** of the city or county demonstrating support for the project. If the applicant is a regional entity proposing a joint project including multiple local governments, a letter from the local government governing body or administrator with authorization to execute intergovernmental agreements supporting the application may be included in lieu of a resolution. The letter of support may be received by DLCD after the application submittal deadline, but it must be received before planning assistance is awarded.

Submit your application electronically with all required information to:

E-mail: housing.dlcd@dlcd.oregon.gov

Please note that we will not be accepting applications by mail. If your jurisdiction requires special accommodations, please reach out to a Grant Program Contact as soon as possible.

If you have questions about the Housing Planning program or projects funded by this round of planning assistance, please contact:

DLCD Housing Team: housing.dlcd@dlcd.oregon.gov

DLCD HAPO Team: dlcd.hapo@dlcd.oregon.gov

For all correspondence, please include the appropriate [Regional Representative](#).

Mid-Willamette Valley	Melissa Ahrens	melissa.ahrens@dlcd.oregon.gov
Central Oregon	Angie Brewer	angie.brewer@dlcd.oregon.gov
North Coast & Lower Columbia	Brett Estes	brett.estes@dlcd.oregon.gov
Eastern Oregon	Dawn Hert	dawn.hert@dlcd.oregon.gov
Portland Metro (West)	Laura Kelly	laura.kelly@dlcd.oregon.gov
Southern Oregon	Josh LeBombard	josh.lebombard@dlcd.oregon.gov
Portland Metro (East)	Kelly Reid	kelly.reid@dlcd.oregon.gov
South Coast	Hui Rodomsky	hui.rodmsky@dlcd.oregon.gov
South Willamette Valley	Patrick Wingard	patrick.wingard@dlcd.oregon.gov

Important Housing Planning Assistance Dates

Date	Housing Planning Assistance Milestone
June 2, 2025 1:30 – 3p	Open Forum for follow-up question & answer Zoom link Meeting ID: 821 4886 4505 Passcode: 598033
June 3, 2025	Application period opens; materials distributed
August 4, 2025	Application period closes; materials submittal deadline
Early September	Anticipated funding decision; award notices sent
October – November 2025	Direct grant agreements anticipated execution
November – December 2025	Consultant contract anticipated execution
June 15, 2027	Project completion deadline

APPLICATION DEADLINE: August 4, 2025



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 28, 2025

Title/Subject

June 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 June 2025 Financial Report as presented.

Submitted By:

Ignacio Palacios, Finance Director

Byron D. Smith, City Manager

June 2025 Financial Report



Department of Finance
June 2025
(Unaudited)

FY2024-2025 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

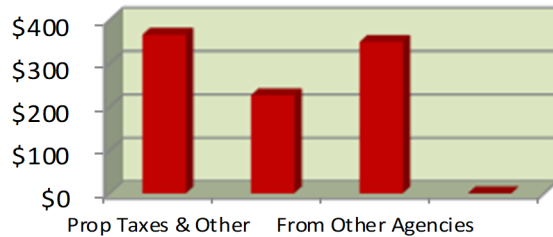
For the Month Ending June 30, 2025

Resources

Through June 30, 2025

by Category

(in \$1,000)



■ Actual Rev YTD

	Annual Proj Rev	Actual Rev YTD	% Var
Prop Taxes & Other	\$ 302	366	121%
Miscellaneous	\$ -	226	100%
From Other Agencies	\$ 904	349	39%
Cash Fwd	\$ 4,845	-	0%
Total	\$ 6,051	\$ 941	16%

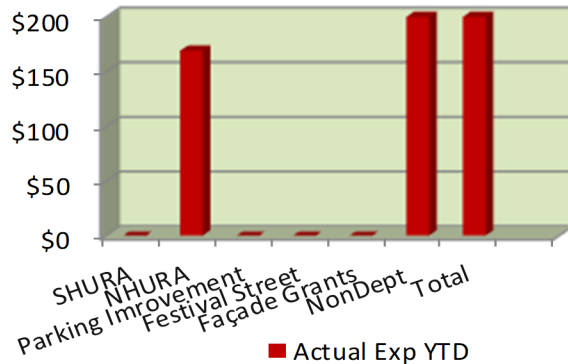
Note: Variance is calculated as % of revenue YTD

Expenditures

Through June 30, 2025

by Category

(in \$1,000)



■ Actual Exp YTD

	Annual Proj Exp	Actual Exp YTD	% Var
SHURA	\$ 600	0	0%
NHURA	\$ 4,900	169	3%
Parking Improvement	\$ 3	0	0%
Festival Street	\$ 3	0	0%
Façade Grants	\$ 60	0	0%
NonDept	\$ 485	450	93%
Total	\$ 6,051	\$ 619	10%

Note: variance is calculated as % of expenses YTD.

The FY2024-25 budget for the Urban Renewal Agency is \$6,050,642. This includes \$600,000 for the beginning of the SHURA project, \$4,900,000 for the NHURA projects, \$3,000 for parking improvements, \$3,000 for Festival Street, \$60,000 for façade grants, and \$484,642 for Non-Departmental expenses.

FY2024-2025 Monthly Financial Report
Hermiston Urban Renewal Agency (HURA)
HURA Capital Projects Report
For the Month Ending June 30, 2025

	Ending Jun 30	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
North First Street Improvement Project	\$ 4,900,000	\$ 169,398	\$ 4,900,000	\$ 396,898	3.46%

North First Street Improvement Project (\$4,900,000)

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. Bidding to take place in the winter.

FY2024-2025 Monthly Financial Report

City of Hermiston, Oregon

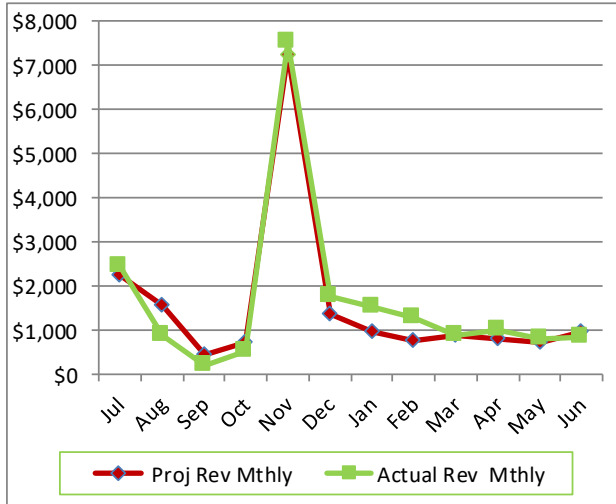
General Fund Resources

For the Month Ending June 30, 2025

General Fund Resources Summary

Through June 30, 2025

(in \$1,000)



	Proj Rev Mthly	Rev Proj Mthly	Actual Rev Mthly	Var Fav/ (Unfav)	% Var
Jul	\$ 2,249	\$ 2,249	\$ 2,429	\$ 181	8%
Aug	\$ 1,549	\$ 1,549	\$ 885	\$ (664)	-43%
Sep	\$ 462	\$ 462	\$ 228	\$ (235)	-51%
Oct	\$ 743	\$ 743	\$ 527	\$ (216)	-29%
Nov	\$ 7,256	\$ 7,256	\$ 7,541	\$ 286	4%
Dec	\$ 1,356	\$ 1,356	\$ 1,768	\$ 413	30%
Jan	\$ 950	\$ 950	\$ 1,512	\$ 562	59%
Feb	\$ 770	\$ 770	\$ 1,303	\$ 532	69%
Mar	\$ 909	\$ 909	\$ 891	\$ (18)	-2%
Apr	\$ 805	\$ 805	\$ 995	\$ 189	24%
May	\$ 739	\$ 739	\$ 804	\$ 65	9%
Jun	\$ 956	\$ 956	\$ 865	\$ (92)	-10%
Total YTD	18,745	18,745	19,748	1,002	5.3%
Cash Fwd	1,261	-	-	-	0%
Total	\$ 20,006	\$ 18,745	\$ 19,748	\$ 1,002	5.3%

Estimated General Fund revenues for the 2024-25 fiscal year are \$20,006,156. Projected year-to-date revenues were **\$18,745,336** compared to actual revenues of **\$19,747,517** a favorable variance of **\$1,002,181**. This is primarily due to increase in planning grant, franchise fees and building revenues.

FY2024-2025 Monthly Financial Report

City of Hermiston, Oregon

General Fund Resources & Expenditures

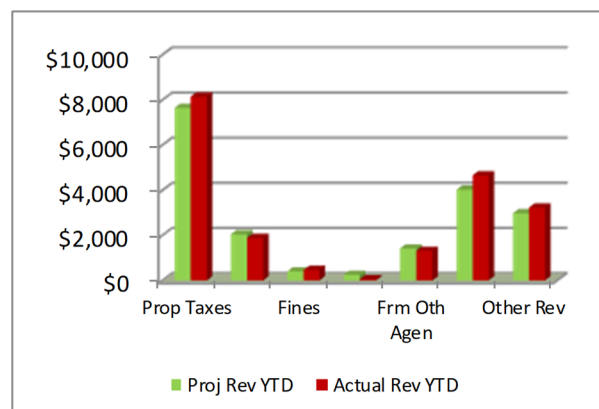
For the Month Ending June 30, 2025

General Fund - All Resources

Through June 30, 2025

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 7,643	\$ 7,643	\$ 8,144	\$ 502	7%
Lic & Fran	\$ 2,046	\$ 2,046	1,883	(164)	-8%
Fines	\$ 400	\$ 400	468	68	17%
Interest Rev	\$ 250	\$ 250	56	(194)	-78%
Frnm Oth Agen	\$ 1,413	\$ 1,413	1,309	(103)	-7%
Svc Chgs	\$ 4,021	\$ 4,021	4,655	634	16%
Other Rev	\$ 2,972	\$ 2,972	3,233	260	9%
Cash Fwd	\$ 1,261	\$ -	-	-	0%
Total	\$20,006	\$ 18,745	\$ 19,748	\$ 1,002	5.3%

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

FY2024-2025 Monthly Financial Report

City of Hermiston, Oregon

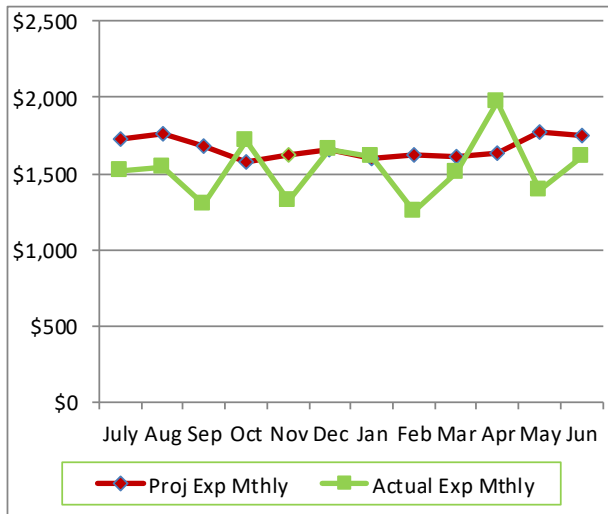
General Fund Expenditures

For the Month Ending June 30, 2025

General Fund Expenditure Summary

Through June 30, 2025

(in \$1,000)



	Proj Exp Mthly	Proj Exp	Actual Exp Mthly	Var Fav/ (Unfav)	% Var
July	\$ 1,725	\$ 1,725	\$ 1,521	\$ 204	12%
Aug	\$ 1,758	\$ 1,758	\$ 1,543	\$ 215	12%
Sep	\$ 1,676	\$ 1,676	\$ 1,292	\$ 384	23%
Oct	\$ 1,573	\$ 1,573	\$ 1,719	\$ (146)	-9%
Nov	\$ 1,627	\$ 1,627	\$ 1,320	\$ 307	19%
Dec	\$ 1,652	\$ 1,652	\$ 1,661	\$ (9)	-1%
Jan	\$ 1,599	\$ 1,599	\$ 1,606	\$ (7)	0%
Feb	\$ 1,619	\$ 1,619	\$ 1,253	\$ 366	23%
Mar	\$ 1,613	\$ 1,613	\$ 1,503	\$ 111	7%
Apr	\$ 1,634	\$ 1,634	\$ 1,969	\$ (335)	-21%
May	\$ 1,775	\$ 1,775	\$ 1,391	\$ 384	22%
Jun	\$ 1,755	\$ 1,755	\$ 1,612	\$ 144	8%
Total YTD	20,006	20,006	18,389	1,617	8.1%
Contngcy		-	-	-	0%
Total	\$ 20,006	\$ 20,006	\$ 18,389	\$ 1,617	8.1%

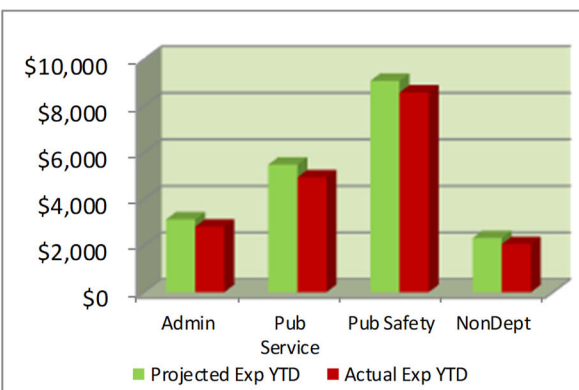
Projected General Fund year-to-date expenditures were **\$20,006,156**. Actual expenditure was **\$18,389,157** which is **\$1,616,999 less** than projected YTD for a **variance of 8.1%**. This is primarily due to differences between the projected average for the period compared to budget to actual to date.

General Fund Expenditures

by Consolidated Department

Through June 30, 2025

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 3,126	3,126	2,814	312	10%
Pub Service	5,478	5,478	4,932	545	10%
Pub Safety	9,081	9,081	8,577	503	6%
NonDept	2,321	2,321	2,066	256	11%
Unapp	-	-	-	-	0%
Total	\$20,006	\$ 20,006	\$ 18,389	\$ 1,617	8.1%

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

FY 2024-2025 Monthly Financial Report

General Fund Expenditure Detail For the Month Ending June 30, 2025

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	52,874	52,874	52,874	0	0%
City Manager/Legal	1,102,880	1,102,880	1,101,370	1,510	0%
City Planning	1,170,089	1,170,089	901,888	268,201	23%
Finance	800,512	800,512	757,828	42,684	5%
Total Administration	3,126,355	3,126,355	2,813,960	312,395	10%
Transportation	552,000	552,000	550,056	1,944	0%
Airport	630,550	630,550	494,549	136,001	22%
Bldg Inspection	615,932	615,932	628,337	(12,405)	-2%
Parks	790,023	790,023	778,939	11,084	1%
Parks/Utility Landscaping	81,590	81,590	58,589	23,001	28%
Pool	641,337	641,337	531,386	109,951	17%
Municipal Buildings	153,238	153,238	98,797	54,441	36%
Library	936,675	936,675	875,651	61,024	7%
Recreation	743,129	743,129	660,528	82,601	11%
Community Center	244,985	244,985	175,835	69,150	28%
Harkenrider Center	88,076	88,076	79,457	8,619	10%
Total Public Services	5,477,535	5,477,535	4,932,124	545,411	10%
Court	1,034,912	1,034,912	951,518	83,394	8%
Public Safety Center	38,500	38,500	36,209	2,291	6%
Police Operations	8,007,401	8,007,401	7,589,716	417,685	5%
Total Public Safety	9,080,813	9,080,813	8,577,443	503,370	6%
Non-Departmental	2,321,452	2,321,452	2,065,630	255,822	11%
Unappropriated	0	0	0	0	0%
Total Non-Dept	2,321,452	2,321,452	2,065,630	255,822	11%
Total	20,006,156	20,006,156	18,389,157	1,616,999	8.1%

For June, FY2025

Total Administration is \$312,395 less than YTD projected. **Total Public Services** are \$545,411 less than YTD projected. **Public Safety** is \$503,370 less than YTD projected. **Non-Departmental** is \$255,822 less than YTD projected.

FY2024-2025 Monthly Financial Report

Fund Balance - General Fund

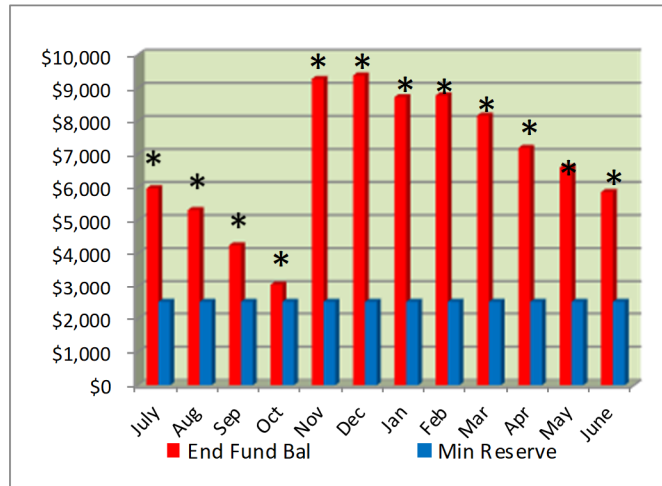
For the Month Ending June 30, 2025

General Fund

Through June 30, 2025

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$2,454,300

	Begin Fund Bal	Revenue	Expense	End Fund Bal	ACT/PROJ Fund Bal
July	\$ 5,061	\$ 2,429	\$ (1,521)	\$ 5,969	ACT*
Aug	\$ 5,969	\$ 885	\$ (1,543)	\$ 5,312	ACT*
Sep	\$ 5,312	\$ 228	\$ (1,292)	\$ 4,247	ACT*
Oct	\$ 4,247	\$ 527	\$ (1,719)	\$ 3,056	ACT*
Nov	\$ 3,056	\$ 7,541	\$ (1,320)	\$ 9,277	ACT*
Dec	\$ 9,277	\$ 1,768	\$ (1,661)	\$ 9,384	ACT*
Jan	\$ 9,384	\$ 950	\$ (1,606)	\$ 8,729	ACT*
Feb	\$ 8,729	\$ 1,303	\$ (1,253)	\$ 8,778	ACT*
Mar	\$ 8,778	\$ 891	\$ (1,503)	\$ 8,167	ACT*
Apr	\$ 8,167	\$ 995	\$ (1,969)	\$ 7,192	ACT*
May	\$ 7,192	\$ 804	\$ (1,391)	\$ 6,605	ACT*
June	\$ 6,605	\$ 865	\$ (1,612)	\$ 5,858	ACT*
Total	\$ 5,061	\$ 19,186	\$ 18,389	\$ 5,858	

The General Fund balance at the end of June 2025 is approximately **\$5,858,000** which is **2.39 times** the current Minimum Reserve requirement of **\$2,454,300**.

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

FY2024-2025 Monthly Financial Report

Special Revenue Funds Report For the Month Ending June 30, 2025

Special Revenue Funds Resources & Requirements

	2024-25 Annual Budget	Actual YTD	Remaining Budget
02 Bonded Debt Fund			
Resources	1,400,339	1,300,704	99,635
Expenditures	1,396,659	1,397,403	(744)
Unappropriated Balance	3,680	N/A	N/A
05 Transient Room Tax (TRT)			
Resources	1,301,500	1,607,731	(306,231)
Expenditures	1,301,500	1,344,491	(42,991)
Unappropriated Balance	-	N/A	N/A
08 Reserve Fund			
Resources	42,122,854	15,404,607	26,718,247
Expenditures	42,111,345	20,910,235	21,201,110
Unappropriated Balance	11,509	N/A	N/A
11 Miscellaneous Special Revenue			
Resources	303,000	165,769	137,231
Expenditures	303,000	165,760	137,240
Unappropriated Balance	-	N/A	N/A
19 Christmas Express Special Revenue			
Resources	58,200	28,454	29,746
Expenditures	58,200	15,114	43,086
Unappropriated Balance	-	N/A	N/A
20 Law Enforcement Special Revenue			
Resources	104,700	1,250	103,450
Expenditures	54,700	54,700	-
Unappropriated Balance	50,000	N/A	N/A
21 Library Special Revenue			
Resources	30,600	-	30,600
Expenditures	30,600	30,600	-
Unappropriated Balance	-	N/A	N/A
23 Enterprise Zone Project Fund			
Resources	3,469,900	500,000	2,969,900
Expenditures	3,469,900	2,697,336	772,564
Unappropriated Balance	-	N/A	N/A
25 EOTEC Operations			
Resources	1,687,500	1,370,443	317,057
Expenditures	1,687,500	1,688,089	(589)
Unappropriated Balance		N/A	N/A
26 IT Services			
Resources	1,549,602	1,312,644	236,958
Expenditures	1,549,602	1,253,264	296,338
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.

FY2024-2025 Monthly Financial Report

Eastern Oregon Trade and Event Center (EOTEC) Fund

For the Month Ending June 30, 2025

EOTEC Fund

	2024-2025			Variance	
	Annual Budget	Projected YTD*	Actual YTD	Fav/(Unfav)	% Variance
Grants	375,000	375,000	715,816	340,816	91%
Events	406,000	406,000	360,881	(45,119)	-11%
TRT/TPA	240,000	240,000	264,688	24,688	10%
Misc.	666,500	666,500	29,058	(637,442)	-96%
Total Revenues	1,687,500	1,687,500	1,370,443	(317,057)	-19%
Personnel	485,132	485,132	484,152	980	0%
Materials and Services	379,579	379,579	382,243	(2,664)	-1%
Capital	750,000	750,000	754,794	(4,794)	-1%
Transfers	66,900	66,900	66,900	0	0%
Contingency	5,889	5,889	-	5,889	100%
Total Expenses	1,607,500	1,687,500	1,688,089	(589)	0%

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

Projected revenues to date are **\$1,473,542** and actual year-to-date revenues are **\$1,325,953** or an **unfavorable variance of 10%**.

Projected expenditures to date are **\$1,473,542** and actual year-to-date revenues are **\$1,582,837** or an **unfavorable variance of 7%**.

FY2024-2025 Monthly Financial Report

Utility and Street Funds Report For the Month Ending June 30, 2025

Utility and Street Funds Report

Resources & Expenditures

	2024-2025			Variance	
	Annual Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
04 Street Fund					
Resources	2,268,728	1,896,728	1,957,494	60,766	3%
Expenditures	2,233,728	2,233,728	1,681,348	552,380	25%
Contingency	35,000	N/A	N/A	N/A	N/A
06 Utility Fund					
Resources	15,316,500	12,733,000	13,680,336	947,336	7%
Expenditures	13,563,666	13,563,666	12,191,332	1,372,334	10%
Contingency	1,752,834	N/A	N/A	N/A	N/A
13 HES Fund					
Resources	14,484,295	9,581,293	10,203,456	622,163	6%
Expenditures	12,044,482	12,044,482	11,363,712	680,770	6%
Contingency	2,439,813	N/A	N/A	N/A	N/A
15 Regional Water Fund					
Resources	1,927,600	1,386,000	1,681,665	295,665	21%
Expenditures	1,227,638	1,227,638	1,225,850	1,788	0%
Contingency	699,962	N/A	N/A	N/A	N/A

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

Revenues for the **Street Fund** are **\$60,766 more** than projected. Expenditures are **\$552,380 less** than projected.

Revenues in the **Utility Funds** are **\$947,336 above** projected. Expenditures are **\$1,372,334 less** than projection.

The **HES Fund** revenue is **\$622,163 more** than projected. Expenditures are **\$680,770 less** than projected.

The **Regional Water Fund** revenues are **\$295,665 more** than projected. Expenditures are **\$1,788 less** than projected.

FY2024-25 Monthly Financial Report

City of Hermiston, Oregon

Utilities/Streets Capital Projects Report

For the Month Ending June 30, 2025

	2024-25 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 1,000,000	\$ 15,917	\$ 1,500,000	\$ 155,468	10.36%
Gettman Road Extension ROA	650,000	81,532	650,000	433,541	66.70%
N. 1st Place Reconstruction	2,110,390	179,422	4,110,390	2,976,304	72.41%
RWS Backup Generators	400,000	19,000	400,000	19,000	4.75%
AWS System Expansion - RWS	19,939,400	13,137,088	29,449,400	22,796,519	77.41%
Well #6 Chlorination	500,000	15,210	500,000	37,210	7.44%
Well #4 Control System	410,000	37,371	410,000	61,371	14.97%
Lift Station #5 Rebuild	150,000	-	150,000	-	0.00%
E. Evelyn Avenue Gravity SL Replacement	380,000	30,110	380,000	30,110	7.92%
AWS Cooling Discharge	805,000	84,573	805,000	485,923	60.36%
Total	\$ 26,344,790	\$ 13,600,223	\$ 38,354,790	\$ 26,995,446	70.38%

Geer & Harper Re-alignment (\$1,500,000)

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: Preliminary Design Comments received from Rail-Pros (UPRR) in February. Full Design anticipated to begin in Spring.

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.

FY2024-25 Monthly Financial Report

City of Hermiston, Oregon

Utilities/Streets Capital Projects Report

For the Month Ending June 30, 2025

	2024-25 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 1,000,000	\$ 15,917	\$ 1,500,000	\$ 155,468	10.36%
Gettman Road Extension ROA	650,000	81,532	650,000	433,541	66.70%
N. 1st Place Reconstruction	2,110,390	179,422	4,110,390	2,976,304	72.41%
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Well #6 Chlorination	500,000	15,210	500,000	37,210	7.44%
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Lift Station #5 Rebuild	150,000	-	150,000	-	0.00%
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AWS Cooling Discharge	805,000	84,573	805,000	485,923	60.36%
Total	\$ 26,344,790	\$ 13,600,223	\$ 38,354,790	\$ 26,995,446	70.38%

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 contractor has completed the "upper bore hole" to 695' below ground surface and begun reaming that out in preparation for drilling the lower bore hole to a depth near 1,500'. The pipelines contractor prepared for making the final crossing of the rail line.

Well # 6 Chlorination (\$500,000)

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 with project advertisement in Spring.

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: Contract Awarded. Initial onsite may begin in June, but significant work will be held off until after the peak summer demand season.

FY2024-25 Monthly Financial Report

City of Hermiston, Oregon
Utilities/Streets Capital Projects Report
For the Month Ending June 30, 2025

	2024-25 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Geer & Harper Re-alignment	\$ 1,000,000	\$ 15,917	\$ 1,500,000	\$ 155,468	10.36%
Gettman Road Extension ROA	650,000	81,532	650,000	433,541	66.70%
N. 1st Place Reconstruction	2,110,390	179,422	4,110,390	2,976,304	72.41%
RWS Backup Generators	400,000	19,000	400,000	19,000	4.75%
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AWS Cooling Discharge	805,000	84,573	805,000	485,923	60.36%
Total	\$ 26,344,790	\$ 13,600,223	\$ 38,354,790	\$ 26,995,446	70.38%

Lift Station #5 Wetwell Upgrades (\$300,000)

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.

E. Evelyn Avenue Gravity Sewer Line Replacement (\$380,000)

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.

AWS Cooling Discharge (\$805,000)

Amazon Web Services is paying the City to design a discharge solution for their non-contact cooling water which is used to cool their facilities. This solution will require installation of a lift station and approximately 10,600 feet of 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.

**FY2024-25 Monthly Financial Report
City of Hermiston, Oregon
Other City Capital Projects Report
For the Month Ending June 30, 2025**

	2024-25 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Airport Improvements	\$ 4,015,000	\$ 2,190,489	\$ 4,015,000	\$ 2,393,292	59.61%
Hangar Replacement	1,300,000	418,039	1,300,000	570,087	43.85%
Urban Tree Project (Grant)	850,000	103,794	1,000,000	119,900	11.99%
Cimmaron Park Project	420,000	2,964	420,000	2,964	0.71%
Library Remodel	3,700,000	1,411,708	4,500,000	1,882,558	41.83%
ARC Remodel	375,000	339,638	750,000	343,417	45.79%
Public Safety Building Remodel	5,000,000	3,708,504	7,500,000	4,335,727	57.81%
Total	\$ 15,660,000	\$ 8,175,136	\$ 19,485,000	\$ 9,647,945	49.51%

Airport Improvements (\$4,015,000)

Ott Road currently runs through the Runway Protection Zone (RPZ). This project will acquire property east of Ott Road to facilitate future realignment of Ott Road out of the RPZ. 90% of the project will be paid for with FAA funding, and the balance of the project funded through future lease revenue for agricultural use.

Current Update: Final purchase closed in June. Appraisal for renting-out the property completed in June, with initial outreach to existing farmer made.

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: Foundation construction complete. Hangar building kit delivered. Erection to begin in August.

Urban Tree Project Grant (1,000,000)

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

Current Update: A contract has been signed and the contractor will be in Hermiston over the next few weeks doing an initial inventory and assessment of our trees. They have been doing some of the planning work and are working to do as much as possible prior to September 30. We have been receiving reimbursements for work completed.

Cimmaron 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 of the park is on-going. The park is now named Sherman Park.

**FY2024-25 Monthly Financial Report
City of Hermiston, Oregon
Other City Capital Projects Report
For the Month Ending June 30, 2025**

	2024-25 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Airport Improvements	\$ 4,015,000	\$ 2,190,489	\$ 4,015,000	\$ 2,393,292	59.61%
Hangar Replacement	1,300,000	418,039	1,300,000	570,087	43.85%
Urban Tree Project (Grant)	850,000	103,794	1,000,000	119,900	11.99%
Cimmaron Park Project	420,000	2,964	420,000	2,964	0.71%
Library Remodel	3,700,000	1,411,708	4,500,000	1,882,558	41.83%
ARC Remodel	375,000	339,638	750,000	343,417	45.79%
Public Safety Building Remodel	5,000,000	3,708,504	7,500,000	4,335,727	57.81%
Total	\$ 15,660,000	\$ 8,175,136	\$ 19,485,000	\$ 9,647,945	49.51%

Library Remodel (\$4,500,000)

Library building remodel to modernize and provide for improved space for community use. As well as, improved children's library area.

Current Update Built in cabinets are being installed. Elevator renovations are being completed. Furniture will be delivered late in August.

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 framing is nearly complete. Outside hardscape is under construction.



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of July 28, 2025

Title/Subject

July 2025 Quarterly Investment Report

Summary and Background

This is a quarterly summary of the investment activity of city funds.

Tie-In to Council Goals

Fiscal Prudence

Fiscal Information

See Report

Alternatives and Recommendation

Alternatives

NONE

Recommended Action/Motion

Recommend/Request acceptance of the July 2025 Quarterly Investment Report as presented.

Submitted By:

Ignacio Palacios, Finance Director

Byron D. Smith, City Manager

Investment Report

Quarter Ended

June 30, 2025



Where Life is Sweet

FY 2024-2025 Quarterly Investment Report
City of Hermiston
Ending June 30, 2025

Investment Type	Beginning	Change	Net Gain (Loss) or Interest	Fees	Ending	% of Portfolio
<u><i>Lone Pine Advisory</i></u>						
Money Markets (MM) \$	317,080	\$ (58,394)	\$ 6,790	\$ (163)	\$ 265,313	1.0%
Corporate Bonds	6,932,758	443,500	75,857	(2,161)	7,449,954	28.0%
Municipal Bonds	991,077	(44,000)	19,144	(321)	965,900	3.6%
Government Bonds	1,406,881	(275,000)	12,341	(350)	1,143,872	4.3%
Total MM & Bonds	9,647,796	66,106	114,132	(2,995)	9,825,039	37.0%
<u><i>LGIP</i></u>						
General	1,165,505	-	13,418	-	1,178,923	4.4%
Utilities	2,781,530	(500,000)	29,814	-	2,311,344	8.7%
Reserves	1,621,845	(500,000)	16,463	-	1,138,308	4.3%
HURA	4,528,608	-	52,133	-	4,580,741	17.2%
Construction	15,852,665	(8,474,934)	154,240	-	7,531,971	28.4%
Total LGIP	25,950,153	(9,474,934)	266,068	-	16,741,287	63.0%
Total Investments	\$ 35,597,949	\$ (9,408,828)	\$ 380,200	\$ (2,995)	\$ 26,566,326	100.0%

Investment Report Changes

The prior investment report submitted was a listing of the City's investments, which provided no summary of the City's investment earnings for the period reported.

The investment schedule provided presents a summary of the City's investments quarterly. The primary purpose of this report is to summarize the City's investments with activity that has occurred over the past quarter. The summary includes the beginning and ending balances and transactions that occurred affecting the city's investments.

Below is a summary of transactions that affected the city's investments for the quarter ended June 30, 2025.

Investment Summary

- Total investments ending June 30, 2025, were \$26.6 million, which includes \$16.8 million held in the Local Government Investment Pool (LGIP).
- For the quarter ended June 30, 2025, \$66k in municipal bonds were 'redeemed' and held in the money market account until a suitable investment is found.
- Redemptions from the LGIP were to cash flow ongoing capital projects totaling \$9.5 million
- Interest earnings for the quarter ending June 30, 2025, totaled \$380k (Fidelity - \$114k and LGIP - \$266k, respectively).
- The average interest earned totaled 2.6% of total investments held.



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of July 28, 2025

Title/Subject

Authorize City Manager's signature on Police Collective Bargaining Agreement for FY26 through FY28

Summary and Background

Due to a variety of circumstances, the bargaining of a new union contract got started a little bit later than I would like. The sessions went quite well, and we held our final session this week. To avoid the administrative hassle of doing retroactive pay and with the generous cooperation of the Hermiston Police Association (HPA), I am adding this item to the council agenda a little bit late to seek council approval as quickly as possible. The HPA is also moving as quickly as possible to have their members ratify the proposed contract. The physical agreement attached to this report is a collection of the tentative agreements both sides agreed to during the bargaining process and are not yet collated into the "finished" product that will be signed by both sides, but it does have all the agreed upon changes/language. Below I will walk through the agreement using handwritten page numbers in the bottom right corner as reference points:

- Page 1 – Sections containing the language of the current contract with no changes are listed here.
- Page 2 – Indicates the addition of sergeants to the union. Sergeants were authorized to form collective bargaining groups in recently adopted legislation.
- Pages 3 and 4 – These changes bring the agreement into compliance with the current law related to union activities while on duty including participation in the bargaining process.
- Page 5 – Brings the agreement into compliance with current sick leave laws.
- Pages 6 and 7 – This section is the result of a Memorandum of Understanding (MOU) that the City did with the union in the time between the last bargaining process and now that combined our former Holiday and Vacation Time into a single Paid Time Off (PTO). (Please note that this PTO does not include Sick Leave which is still separate in this agreement.)
- Page 8 – Gives the City the option to offer other insurance plans while we still offer the agreed upon plan.
- Page 9 – Changes the deferred compensation benefit in the agreement from a matching of employee contributions to a set percentage contribution for each employee that establishes an account. Also moves/consolidates some retirement related language from different parts of the agreement into this one Retirement article.

- Page 10 – Gender related language clean-up.
- Pages 11 and 12 – Changes to conform to state law.
- Pages 13 and 14 – Changes to conform to state law and current practice.
- Page 15 – Removes dry cleaning requirement because no one uses it.
- Page 16 – Clarifies that a designee of the Police Chief can authorize travel.
- Page 17 – Clarifies that this incentive is limited by budget allocations.
- Pages 18 to 22 – Addressed below under fiscal impact.
- Pages 22 to 24 – Clarified call back compensation for incidental items and remote court appearances. Changes to conform to state law.
- Page 25 – Clarified changes related to lateral officer salary placement and moved language to a more appropriate section of the contract.
- Page 26 – Clarified work schedule language.
- Page 27 – Clarified bereavement leave policy.
- Page 28 – Clarified layoff and recall policy.
- Pages 29 to 32 – Conformed language to state law and current practice.
- Page 33 – Clarified language to current practice.
- Page 34 – Gender related language clean-up.
- Pages 35 and 36 – Clean-up based on movement to a combined PTO.
- Page 37 – Clarified language to current practice.
- Page 38 – Clarified that marijuana is still an illegal substance under the agreement.
- Page 39 – Added language that reduces the occurrence of mid-term bargaining.
- Page 40 – Establishes the term of the agreement and a timeline for bargaining the next contract.

Tie-In to Council Goals

N/A

Fiscal Information

As our bargaining team entered this round of negotiations, comparisons were made with comparable jurisdictions. There are several ways to establish the list of comparable jurisdictions and it was found that the City was behind the market by anywhere from 4% to 14%. To remain competitive in the retention and attraction of the covered positions the settlement is a little higher than anticipated. At the end of this three-year contract and its proposed increases, we anticipate being in a much better market position.

For police officers and records specialists there will be a cost-of-living increase of 3%, 3% and 2% for each of the affected fiscal years. Furthermore, there will be additional step movements in the first two years of the contract.

Due to the sergeants being more in line with the market and the new addition of sergeants to the contract, their increases will be 3%, 3% and 3% in the three affected fiscal years with no additional step movements.

Additionally, the following fiscal changes are proposed to the contract:

- Bringing over all the sergeants, incentive and certification pays as existing from the city's employee handbook.

- Adding longevity pay for employees as follows:
 - 10 years – 2%
 - 15 years – 3%
 - 20 years – 4%

Finally, we added language to clarify that incidental food and beverage provided by the City is part of the employee compensation package. This addition is to address the recent Oregon Government Ethics Commission opinion.

Alternatives and Recommendation

Alternatives

The city council may choose to:

1. Approve FY26 – FY28 Collective Bargaining Agreement with the Hermiston Police Association
2. Direct staff to return to the bargaining table bring back an agreement to a future meeting.

Recommended Action/Motion

Recommend approval of FY26 – FY28 Collective Bargaining Agreement with the Hermiston Police Association as presented.

Submitted By:

Byron D. Smith, City Manager

City is amenable to current contract language for the following articles:

- 3 Management Rights
- 8 Long Term Disability
- 9 Indemnification
- 27 Immunization
- 28 Tobacco
- 30 Hearing Aids
- 31 Residency

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City of Hermiston
"What if" Package Offer
7-23-25

This "what-if" offer is intended as a limited offer valid today. It is not to be considered a formal proposal, nor subject to future reference for the purposes of bargaining as related to PECBA bargaining. This "what-if" is intended to resolve all remaining matters of negotiations and is only offered as a complete package. This what-if offer includes revisions to the following articles:

Article 1: Recognition
 Article 6: Insurance
 Article 7: Retirement
 Article 16: Wages
 Article 19: Overtime
 Article 22: Discipline
 Article 32: Savings/Midterm Bargaining
 Article 33: Term
 Appendix A: Scale

Current Tentative Agreements stand as resolved.

Clarification Language to be added to Article 18: Sergeants will be scheduled for shifts as under current practice, and Article 18 does not apply for shift assignments for Sergeants.

The bargaining teams agree that tentative agreement for this "what-if" will be taken to respective constituents with a "do-pass" recommendation.

ARTICLE 1 – RECOGNITION

Section 1. Recognition. The City recognizes the Association as the exclusive bargaining agent for all police officers, Sergeants, corporals, and Records Specialists ~~clerks~~ within the police department, excluding supervisors and confidential employees. Corporals are not supervisors under the PECBA but are responsible to provide leadership, mentorship and assistance to other officers commensurate with their prior service and experience, including directing officers as necessary and appropriate. *(bargaining note: Current practice is that Corporal is an assignment as a police officer, not a separate classification)*

Section 2. Exclusive Representation. The City shall not enter into any agreements regarding employment relations with any other organization or individual claiming to represent any group of employees in the bargaining unit or engage in any conduct which would recognize anyone other than the Association as a representative or employees in the unit, unless specifically authorized to do so by the Association or as required by PECBA.

City "what-if" proposal 7-23-25, valid today

ARTICLE 2 – ASSOCIATION RIGHTS

Section 1. Employee Rights. Employees shall have the right to form, join and participate in the activities of employee organization of their own choosing for the purpose of representation on matters of employee relations. Employees shall also have the right to refuse to join or participate in the activities of any employee organization. No employee shall be interfered with, intimidated or restrained, coerced or discriminated against by the City or any employee organization because of his/her exercise of these rights.

Section 2. Non-discrimination. This Agreement shall be applied equally to all employees in the bargaining unit without discrimination as to age, marital status, race, color, sex, sexual preference, religion, national origin, disability subject to reasonable accommodation, Association or political affiliation, or other classification protected by Oregon or federal law. The Association shall share equally with the City the responsibility for applying the provisions of this Agreement.

Section 3. Association Dues Check-Off. Upon written consent of an employee within the bargaining unit documented in the City payroll or personnel record, the City will deduct Association dues from employee pay in such amount as the Association may establish for Association members, and continue to do so until such time as the Association notifies the City in writing that the employee has withdrawn their his/her membership, or the employee cancels and rescinds the consent previously given in writing delivered to and notifying both the City and the Association. The aggregate deductions of all employees shall be remitted together with an itemized statement to the Treasurer of the Association no later than the 10th of the month following the month for which the deductions were withheld.

Section 4. Notification of Association Coverage. When a person is hired in any classification represented by the Association, the City shall notify the employee him/her that the Association is their his/her recognized bargaining representative.

Section 5. Leaves of Absence. Upon return from leaves of absence without pay, the City shall reinstate the payroll deduction of Association dues for those workers who were on dues check-off immediately prior to taking unpaid leave.

Section 6. Representational Activity. ~~Members of the bargaining unit elected to serve as authorized representatives of the Association shall be expected to perform their duties as a representative of the Association on their own time, except as otherwise provided in this Agreement.~~

The City agrees to provide reasonable time on duty for designated representatives while engaged in association activities as defined by ORS 243.798 (A-G) unless such activities, in the City's judgment, interfere with or hamper the normal operations of the City. Association activities will be conducted in such a way so as not to reasonable interfere with work responsibilities of the department or other employees, and reasonable advanced notice to a supervisor will be provided. An Association member will not be eligible for contractual overtime while engaged in such time. Conflicts or disputes at to the reasonable use of time on duty will first be brought forth in labor management meetings, and if not resolved, will solely defer to the grievance process.

Section 7. Bargaining Committee Participation at Negotiations. Three (3) employees appointed by the Association as members of the Association's Collective Bargaining Committee will be permitted to attend scheduled successor bargaining sessions when on duty. Attendance in bargaining sessions shall not result in overtime obligations. ~~shall be granted time off with pay to negotiate with the City.~~

Section 8. Bulletin Board. The Association shall be allowed to use a designated bulletin board for appropriate and Association related business.

ARTICLE 4 – SICK LEAVE

Section 1. Accrual. All employees accrue sick leave benefits as an insurance against the impact of illness or injury. Full time employees will accrue sick leave ~~shall accrue at the rate of 5 hours per bi-monthly pay period, of .0577 hours for regular hours worked, or a total of one hundred twenty (120) hours.~~ Part-time employees earn sick per Oregon Paid Sick Leave Law. If an employee is on unpaid leave, including PLO, the employee will earn prorated accruals when using paid accrued leaves. ~~for an employee who works a regular working year of two thousand eighty (2,080) hours.~~

For purposes of this calculation, use of accrued leave for holidays, compensated sick leave and vacations shall be considered hours worked. ~~The approximate equivalent accrual rate is fifteen (15) days per year, or ten (10) hours per month of service, however, the actual rate will depend on the hours worked by the employee.~~ Accrual shall begin on the employee's date of employment. ~~Current sick leave balance will be unchanged by this Agreement and will be credited to each employee's accumulated sick leave.~~ Unused sick leave accrual shall be limited to two thousand eight (2,080) hours.

Section 2. Utilization. An employee can use accrued sick leave when unable to perform work duties by reason of illness or injury, dental or medical appointment, exposure to a contagious disease, or illness of an immediate family member. Employees are encouraged to make appointments outside of regularly scheduled working hours when possible.

Sick leave may be used for the employee's own illness, injury or health condition (including diagnosis, care, treatment and preventive medical care); and to care for a family member (Spouse, ~~registered Same Sex~~ Domestic Partner, Son/Daughter/Stepchild, Son-in-law/Daughter-in-law, Mother/Father/Stepparent, Mother-in-law/Father-in-law, Brother/Sister, Brother-in-law/Sister-in-law, Children of ~~Same Sex~~ Domestic Partner, Grandparent/grandchild) with an illness, injury or health condition (including diagnosis, care, treatment and preventive medical care), and for reasons required by Oregon or federal law. (SS: fyi: new law on registered DP)

Section 3. Valuation and Payments Upon Retirement or Qualified Separation. Upon retirement employees will be compensated for accumulated, unused sick leave in the form of increased retirement benefits as allowed under provisions of the Oregon Retirement System, ORS 238.350. (bargaining note: This only applies to Tier I and II only). Sick leave benefits are not paid upon termination of employment except as PERS fold-in. However, for employees who leave the employment of the City (for reasons other than discharge) after fifteen (15) years of full-time employment, the City deposits (at the employee's current rate of compensation) one-eighth (1/8) the employee's accumulated sick leave, up to a cap of two thousand eighty (2,080) hours, into the Employee's HRA VEBA Medical Reimbursement Plan Account provided such deposit is permitted under the terms of the City's applicable benefit plan documents, which are controlling. For employees who leave the employment of the City (for reasons other than discharge) after twenty-five (25) years of full-time employment with the City, the City Deposits (at the employee's current rate of compensation) one-fourth (1/4) the employee's accumulated sick leave deposited into the Employee's HRA VEBA Medical Reimbursement Plan provided such deposit is permitted under the terms of the City's applicable benefit plan documents, which are controlling.

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ARTICLE 5 - Personal Time Off

(bargaining note: language below is from MOU. 2022 mou is now considered void)

Section 1. Personal Time Off (PTO). - PTO article 5 has been created to account for what was previously "vacation" and "holiday" hours/time and replaces the old version of article 5. The following chart shows the monthly accrual and maximum accrual for months of service with the City.

Employees hired before 12/31/2022:

City Service (months)	Accrual (hours) per month 12hr shift/ 8,9,10hr shift	Maximum accrual (hours) limit
0-24	17.66 / 15.66	252
25-60	19 / 17	276
61-120	21 / 19	300
121-180	24.33 / 22.33	324
181-240	27.66 / 25.66	348
241 or more	29.66 / 27.66	372

Employees hired after 1/1/2023

City Service (months)	Accrual (hours) per month 12hr shift/ 8,9,10hr shift	Maximum accrual (hours) limit
0-24	17.66 / 15.66	252
25-60	19 / 17	276
61-120	21 / 19	300
121 or more	24.33 / 22.33	324

Section 2. Valuation and Payment upon Separation. Upon separation of a permanent employee, the employee will ~~he/shall~~ be paid for all earned but unused PTO at the employee's current rate of pay. In case of death, compensation for accrued PTO shall be paid in the same manner to the employee's spouse or heirs.

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To SoS
6/10/25

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Section 3. Anniversary Dates and Continuous Service. Anniversary dates shall begin with the date of employment and will be the same date each year thereafter. Employees hired between the first (1st) and fifteenth {15th} of the month shall have an anniversary of the first (1st) of the month. Employees hired on the fifteenth {15th} of the month and later shall have an anniversary date of the first (1st) of the following month. Continuous service shall be service unbroken by separation from the City other than approved military leave, PTO or sick leave, or other qualified leaves.

Section 4. Utilization. Employees are encouraged to take PTO in forty (40) hour blocks. Requests for PTO normally shall be submitted a minimum of fourteen (14) calendar days in advance of the time requested. Requests for PTO shall not be unreasonably denied by the City and are subject to staffing and operational needs as necessarily determined by the Chief of Police consistent with current policies. PTO shall not be forfeited if denied based on the needs of the City.

The parties recognize the importance of full staffing during Umatilla County Fair Parade and Fair Week during August. If the City determines that Umatilla County Fair Parade and Fair Week require additional staffing and either overtime or a denial of PTO or PTO bid(s), the City will attempt to staff these events with volunteers. If an insufficient number of employees volunteer to cover the need, the Police Chief, or designee, will assign overtime or deny the PTO request or bid giving due regard to special circumstances of employees who will be affected and to seniority.

Section 5. Comp Time Coordination. Employees may be allowed compensatory time in conjunction with PTO only with prior consent of the City.

Section 6. Bidding. Bidding for forty (40) hour blocks shall be by seniority for the first two rounds of bidding, and any PTO less than forty (40) hours shall be considered on a first-come- first-served basis. Nothing in this Section prevents units or teams from establishing, changing or discontinuing an alternate PTO bidding process with the approval of the Chief of Police and the Association.

Section 7. Cashing Out PTO. Employees may elect to be compensated ~~paid cash out~~ up to a maximum of eighty (80) hours of PTO per calendar year. Employees may split this payment ~~cash-~~ out over any two pay periods within that calendar year.

ARTICLE 6 – HEALTH AND ACCIDENT INSURANCE

The City or Association may reopen wages and insurance for negotiations if benefit levels, plan coverage, or plan availability is changed by City-County Insurance Services or the Plan underwriter unless the Parties agree the changes are inconsequential.

The City shall provide a comprehensive medical and dental plan. The current plan offered is BCBS Copay Plan F B PPP with Alternative Care (to include Hearing Aid Benefit) as well as vision coverage supplied by VSP. The dental plan is provided by ODS or Willamette Dental. Employees shall contribute ten percent (10%) of current health insurance premiums and the City will contribute the remaining ninety percent (90%). The City may offer other additional plan options. (bargaining note: Current Plan is Copay F. "B" is older missed language)

The employee may enroll in a premium conversion payroll deduction plan, which provides the employee the option to pay for, on a pre-tax basis, their share of the premium.

The City shall continue to provide a yearly VEBA benefit, commencing January 1, 2012, at the following levels:

Single employee	\$1,000.00
One employee plus spouse/partner	\$1,500.00
Employee plus family	\$2,000.00

Note: Mid-year qualifying events are prorated subject to City policy.

City "what-if" proposal 7-23-25, valid today

ARTICLE 7 – RETIREMENT

PERS: The City shall continue to provide the present employee retirement plan provided through the Oregon Public Employees Retirement System.

(bargaining note: moved from Article 16): PERS Pick-up. In addition to the City's employer contributions to PERS, the City shall pay what would otherwise be the employee's six percent (6%) contribution to PERS ("PERS Pick-Up"). Although the PERS Pick-Up contribution is an employee contribution for purposes of PERS, it shall be treated as an employer contribution for federal income tax purposes in accordance with relevant sections of the IRC.

Deferred Compensation: The City shall match four percent (4%) of up to the first seven thousand five hundred dollars (\$7,500.00) contributed by an employee to one of the City-approved deferred compensation programs. This provision expires June 30, 2026.

Effective July 1, 2026, the City will contribute a deferred compensation contribution of 1% of the employee's monthly base salary. Base hourly rate does not include incentive or other premium pay. The City accepts no liability for the success or failure of individual investment programs. This section is subject to applicable tax rules. Employees are responsible to initiating a deferred compensation account before any City contribution is paid. *(bargaining note: There is no retro on deferred comp if any employee has not created an account)*

City "what-if" proposal 7-23-25, valid today

ARTICLE 10 – SENIORITY

Section 1. Seniority Defined. Seniority as used in this Agreement is determined by the length of an employee's continuous service with the Police Department since the employee's his/her date of hire by classification, provided however that in the case of any employee hired and appointed as a police officer after serving in a non-sworn bargaining unit position, such employee's seniority date shall be adjusted to the date of employment as a sworn officer.

Section 2. Part-Time Seniority. All part-time service shall be credited on a prorated basis.

Section 3. Hire/Promotion Seniority Service Credit. In matters of promotion to a higher position, selection of an employee shall be made based on qualifications and ability, and where qualification and ability are equal, as determined by the City, seniority shall be the determining factor. The City will fill positions by promoting present Police Department employees whenever qualifications are deemed equal to those of an outside applicant. However, if in the judgment of the Chief of Police or the City Manager, an external candidate possessing superior qualifications and ability to the internal Police Department candidates, the City may hire such outside person.

T4 CLW 6/10/25

T2 SJS 6/10/25

ARTICLE 11 – PERSONNEL RECORDS

Section 1. Inspection of Personnel File. In accordance with Oregon law each employee may review the contents of his/her own personnel file and obtain a copy. Employees may request to be accompanied by an Association representative.

Section 2. Confidentiality of Employment Records. Access to a staff member's personnel file shall be limited to the individual employee, those with a need in the interest of the City, and those whose access to the information is granted by the City in accordance with law, legal process, or a release and authorization of the employee.

Section 3. Derogatory Entries. Materials which reflect negatively upon an employee shall bear either the signature of the employee or written confirmation that the employee was shown the material and refused to sign it.

Section 4. Retention and Removal. Corrective action documentation, such as a letter of caution, oral reprimands and similar instructional and supervisory communications may be retained in supervisory files and, if appropriate, referred to or relied upon in yearly evaluation documents or, if relevant, in progressive action. Such corrective documentation (less than a written reprimand) shall not be relied upon in evaluation or progressive discipline which arises after three (3) years has elapsed without further corrective or disciplinary action for comparable reason(s).

~~Corrective or~~ Disciplinary records up to a written reprimand will be removed from a personnel file at an employee's request after thirty-six (36) months has elapsed following the events described if the employee has met performance expectations during that period without recurrence of similar issues documented in the record. After removal such records will not be used for purposes of progressive discipline except to demonstrate training or forewarning.

Whenever documentation of ~~corrective or~~ disciplinary action is removed from an employee's personnel file or supervisory files maintained by the City, the records will be retained consistent with state law. (*bargaining note: sworn officer records are required to be maintained for at least 10 years post-employment - ORS 181A.667*) ~~shall be retained in a separate system of records, not identifiable by the name of any employee and kept in order to show training provided, demonstrate City policymaker decision-making, and illustrate forewarning in appropriate cases.~~

~~Material placed in the personnel record of an employee without conforming with the provisions of this Article shall not be permitted to be used by the City in any disciplinary proceeding involving the employee.~~

Nothing in this Agreement shall be interpreted or applied to require the City to purge any record which has been reported to a public database in accordance with Oregon law (HB 3145 and HB 4207) or which relates to a violation of standards of conduct identified by the Commission on Statewide Law Enforcement Standards of Conduct and Discipline (HB 2930).

Section 5. Public Records Requests for Employee Records. If employee records are requested under the Oregon Public Records Law while the employee is employed by the City or during the pendency of grievance or arbitration proceedings challenging a discharge from employment, the employee shall be provided a copy of the request to inspect or obtain a copy of

City proposal to HPA 5-12-25

To Jo 6/10/25 TA CW 6/10/25

the employment record or any portion thereof and notice of the City's intention to release records in advance of doing so.

Section 6. Written commendations shall become a permanent part of the employee's personnel file and the employee shall be furnished a copy of all such material at the time it is placed in the employee's personnel file.

ARTICLE 12 – GRIEVANCE PROCEDURE AND ARBITRATION

Section 1. Grievance Procedures. The purpose of the grievance procedure shall be to settle differences between the City and employees as quickly as possible to ensure efficiency and to promote employees' morale. A grievance is defined as a complaint arising out of alleged violations concerning the application of interpretation or compliance with the provisions of this Agreement.

Step 1. In cases involving a complaint by an employee or employees, the representative of the Association or the aggrieved employee or employees, with or without the presence of the representative of the Association, shall present the grievance, in writing, within ten (10) business days after it arises or is discovered, to the immediate supervisor and to the Association President. In cases involving imposition of discipline, the grievance shall be presented to the supervisor who imposed the discipline. A grievance shall identify the specific sections of this Agreement which the City is alleged to have violated, state the facts and actions that give rise to the grievance, and state the remedy sought. The supervisor shall respond in writing within ten (10) business days.

Step 2. If the grievance is not satisfactorily resolved at Step 1, the Association or the aggrieved employee may present the grievance to the Chief of Police or designee within ten (10) business days of the denial at Step 1. The Chief will issue a written decision within ten (10) business days of receipt unless the Chief requests a meeting with the employee and the Association concerning the grievance, in which case the Chief's written decision shall be issued within ten (10) business days after the meeting occurs.

Step 3. If the grievance is not satisfactorily resolved at Step 2, the Association may submit the grievance to the City Manager or designee. The Association and the City Manager or designee shall meet to discuss the matters in an earnest effort to resolve the grievance commencing within ten (10) business days of the Chief's Step 2 decision. The City Manager or designee will issue a written decision within ten (10) business days following the Parties' efforts to resolve the grievance.

Step 4. If the Parties are unable to resolve a grievance at Step 3, upon the written request of the Association within ten (10) business days of the Step 3 response, the Association may elect to submit the grievance to binding arbitration in the appropriate manner, as follows:

1. **Police Misconduct.** For police misconduct cases, the parties will comply with ORS 243.808 HB 2930 and Employment Relations Board published rules related to discipline and the selection of an arbitrator.
2. **Other cases.** For cases that do not involve police misconduct, the Association shall submit a written request to the Oregon Employment Relations Board for a list of thirteen (13) arbitrators. ~~who are also on the FMCS list.~~ *(bargaining note: ERB does not provide comparative FMCS list)* A copy of the Association's request shall be provided to the City's labor counsel. The party requesting and initiating arbitration shall strike first from the list. Thereafter, the

parties shall strike alternatively until only one (1) name remains. The remaining name shall be the arbitrator.

A. Arbitrator Authority. The arbitrator shall have no power to modify, add to or subtract from the terms of this Agreement and shall be confined to the interpretation and enforcement of this Agreement. For police misconduct cases, the Arbitrator agrees to follow the just cause standards consistent with ORS 243.808 and related OARs identifying standards for disciplinary actions. The arbitrator's decision shall be in writing and shall be submitted to the parties within thirty (30) days following the close of the hearing. The arbitrator's decision shall be final and binding on the affected employee(s), the Association and the City.

B. Subpoenas. Either party may request the arbitrator to issue subpoenas. ~~If subpoenaed to an arbitration, City employees/Association members shall not receive fees and mileage associated with an enforceable subpoena.~~ Each party shall be responsible for compensating its own witnesses and representatives during the arbitration hearing. The costs, fees and expenses of the arbitrator shall be borne by the non-prevailing party or prorated as determined by the arbitrator.

C. Court Reporter/Record. If either party desires a verbatim recording of the proceedings, it may cause such a record to be made, provided it pays for the appearance fee, record, and makes a copy available without charge to the arbitrator. If the other party desires a copy, both parties shall jointly share in all costs of producing three (3) copies of the transcript.

D. Time Limitations and Extensions of Time. Any of the time limitations specified in the above-prescribed procedure may be extended by mutual consent of the parties in writing. In the absence of such mutual consent, non-compliance with any of the time limitations (1) by the Association shall constitute waiver of the grievance, and (2) by the City shall result in advancing the grievance to the next step. For the purposes of this article, days refers to business days, being Monday through Friday.

Section 2. Grievance Resolution Meetings. Meetings arranged by the parties hereto for the purpose of processing grievances or dealing with other matters relative to the administration of the Agreement shall not result in loss of pay for employees who attend such meetings while on duty.

TA CLW
6/10/25

TA 805 6/10/25

ARTICLE 13 – UNIFORMS

Section 1. Uniform Issue and Cleaning. Uniforms required to be worn by employees in the Police Department shall be furnished and dry cleaned by the City. ~~The dry cleaning will only be covered as long as a dry cleaning business is located in Hermiston.~~

Section 2. Uniform Maintenance. Alteration and repairs of all uniforms will be paid by the City but only after pre-approval through the established chain of command. No employee shall be required to wear any part of a uniform that is deteriorated or has been mended in a manner that is obvious to the public eye.

Section 3. Detective Clothing Allowance. Any member assigned to the detective unit, shall be provided a three hundred dollars (\$300.00) per year clothing allowance, to be paid in January of each year.

Section 4. Boot Allowance. The City shall provide a boot allowance of two hundred dollars (\$200.00) per calendar year to all sworn members. If a member is hired mid-year, the amount will be prorated.

TA CLW 5/12/25 TA dos 5/12/25

ARTICLE 14 – MILEAGE AND LODGING

Section 1. Personal Vehicle Mileage. When employees use a personal vehicle in the performance of official duties, they shall be compensated at the current IRS rate.

Section 2. Per Diem/Reimbursement. When an employee is traveling as authorized by the Chief of Police or designee, employees are reimbursed for meals (breakfast, lunch and dinner) and lodging. Meals are only reimbursed if your trip includes an overnight stay. Alcoholic beverages do not qualify for reimbursement. For current meal reimbursement rates please see the per diem rates on the U S General Services Administration website:
<http://www.gsa.gov/portal/content/104877>

Section 3. Receipts. Employees will furnish receipts for lodging, and in the event a City issued credit card is provided, all receipts for its use shall be maintained and furnished.

-1A CCW 6/10/25 To SOS 6/10/25

ARTICLE 15 – EDUCATION INCENTIVE PROGRAM

To encourage employees to pursue appropriate formal education, the education incentive program will be administered to reimburse approved job-related educational training costs for courses approved in advance by the Chief of Police subject to the following conditions:

- A. Employees must have completed at least twelve (12) months of City service to participate.
- B. Reimbursement shall be restricted to tuition, course fees and required textbooks, up to two hundred seventy dollars (\$270.00) per credit hour, for not in excess of ten (10) credit hours per school quarter.
- C. Reimbursement may be restricted to courses offered by a recognized and accredited school.
- D. Upon obtaining preapproval of the Chief of Police, the employee shall pay tuition, course fees, textbook and other costs, if any, upon enrollment. The employee must present evidence to substantiate expenses and obtain a grade of "C" or better to be eligible for reimbursement for an approved course. Classes taken on a "pass/fail" basis must be "passed."
- E. The City's educational incentive program shall not be utilized by employees who obtain training or education funding from any other source (such as a grant or scholarship) if the payments in the aggregate exceed the costs incurred by the employee for the course.
- F. In cases of hardship or other exceptional circumstances, the Chief of Police may, in the City's sole discretion which may be exercised case-by-case, accommodate the needs of a particular employee by making exceptions to the requirements of this Article. However, if the employee fails to fulfill the requirements and conditions associated with reimbursement, the employee shall refund to the City the expenses the City has incurred on behalf of the employee including by payroll deduction.
- G. This program is limited to budgeted funding. (Chief: limited b/c part of training requests)

TA CLW 6/10/25 To 803 6/10/25
City of Hermiston proposal to HPA 6-10-25

ARTICLE 16 – WAGES AND SALARIES

Section 1. Wages. Employees covered by this Agreement shall be paid according to classification and rates of pay established on Schedule A. Salary schedules are attached hereto and made a part of this Agreement.

For all classifications except Sergeant:

Effective the pay period following execution of this agreement, step one of the wage scale on Appendix A for each classification will be increased by 3%. Steps are 4% apart. 7/1/22, wages will be increased across the board by four percent (4%).

Thereafter effective the pay period following execution of this agreement, employees on Step A through I will be moved to the next step of Appendix A. Step A will be discontinued and a new top step will be added. (bargaining: Appendix A steps will be "re-lettered" accordingly).

Effective July 1, 2026, step one of the wage scale, Appendix A for each classification will be increased by 3%. Steps are 4% apart.

Thereafter effective the pay period following execution of this agreement, employees on Step A through I will be moved to the next step of Appendix A. Step A will be discontinued and a new top step will be added. (bargaining: Appendix A steps will be "re-lettered" accordingly).

Effective July 1, 2027, step one of the wage scale, Appendix A for each classification will be increased by 2%. Steps are 4% apart.

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For the classification of Sergeant:

Effective the pay period following execution of this agreement, step one of the wage scale, will be increased by 3%. Steps are 4% apart.

Effective July 1, 2026, step one of the wage scale will be increased by 3%. Steps are 4% apart.

Effective July 1, 2027, step one of the wage scale will be increased by 3% 2%. Steps are 4% apart.

bargaining note: The Sergeant wage scale effective June 30, 2025 will be used for the above increases. For reference:

Sergeant Monthly Scale

Step A:	\$7,963
Step B:	\$8,281
Step C:	\$8,613
Step D:	\$8,957
Step E:	\$9,315
Step F:	\$9,687

~~For employees working under the FLSA 7K schedule with a work cycle of 28 days.
(bargaining note: Already TA'd in Article 18.1)~~

~~Association members employed on July 1, 2022, will be paid a lump sum signing bonus of one thousand five hundred dollars (\$1,500.00).~~

~~Effective July 1, 2023, wages will be increased across the board by three percent (3%).~~

~~Effective July 1, 2024, wages will be increased across the board by three percent (3%).~~

Section 2. Incentives and Premiums. In addition to the salaries set forth in Section 1 and Appendix A, employees are eligible to receive incentives as follows:

- A. Education Incentive. The City will pay officers who have earned an AA/AS degree one hundred fifty dollars (\$150.00) per month. Officers who have earned a BA/BS degree will be paid two hundred fifty dollars (\$250.00) per month. No employee may receive both education incentives. Prorated bi-monthly.
- B. DPSST Incentive. The City will pay police officers who hold an Intermediate DPSST Certificate a premium of four percent (4%) computed on the monthly base wage. The City will pay police officers who hold an Advanced DPSST Certificate an incentive premium of an additional four percent (e.g.: a combined total of eight percent (8%)) computed on the monthly base wage. The classification of Sergeant is not eligible for

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Intermediate or Advanced DPSST pay because Intermediate certification is a minimum qualification for the position and is part of the base wage for Sergeant.

X. The classification of Sergeant is eligible for one of the following DPSST certification incentive pays (prorated bi-monthly):

Supervisory certification: \$200 per month*

Mid-Management Certification: \$300 per month

Executive Certification: \$400 per month

*Supervisory is paid upon hire with job expectation that certificate is obtained within 25 months. Supervisory certification is an essential function of the position, and failure to obtain/maintain is grounds for separation of employment.

These three certification pays are not cumulative. Employees are only eligible for one certification pay, paid at the highest value obtained.

X. Sergeant Instructor Pay: For the classification of Sergeant, the City will pay following:

Instructor: \$150 per month (max is \$150 regardless of instructor titles)

DRE: \$150 per month

DME: \$150 per month.

C. Bi-Lingual Incentive. Eligible employees shall receive bilingual pay of five percent (5%). To be eligible for bilingual pay, employees must pass an approved aptitude test for the specific (non-English) language. The (non-English) language must be consistent with demographics for the City of Hermiston and will only account for those (non-English) languages that comprise at least ten percent (10%) of the population within the City.

D. Premium Pay. Excluding Sergeants, the City will compensate employees approved and assigned by the Chief of Police as follows, provided however than no employee shall receive incentive pay in excess of twelve percent (12%) for any combination of the following within these categories:

Detective	5%
Corporal	5%
SWAT	3%

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Instructor	3%
DRE	2%
DME	2%
FTO	5% while performing duties as FTO
Reserve Coordinator	2%

Officers who receive incentive as a corporal, FTO or detective shall be ineligible for out-of-class pay. Incentive pay shall discontinue if the qualifying certificate, if any, lapses. Premium pay incentives will be included in calculation of the regular rate for the computation of overtime consistent with FLSA. Each of the incentive percentages shall be computed based on base pay stated in the Wage Appendix A or pay classification plan, the sum of which shall be the regular rate of pay for computing the FLSA overtime rate.

School Resource Officer: Employees assigned as School Resource Officer will receive a premium of two percent (2%) and, for the duration of the assignment shall flex hours of work subject to approval of the Chief of Police or designee to meet the unique needs of the schools and students served during weeks when school is in session. When school is not in session, the SRO's schedule and hours of work may be determined by the Chief or designee based on the City's needs at the time.

The Chief of Police shall retain discretion to assign to and remove from each assignment compensated by an incentive, and no employee may be regarded as having an entitlement or property interest to retain or remain in any assignment.

Section 3. Rate of Pay for New Positions. If the City creates a new position which falls within the scope of the bargaining unit, the parties shall enter into wage negotiations for the purpose of establishing a rate of pay upon request; provided however that such bargaining shall not delay City implementation provided the City agrees that whatever rate is agreed upon shall be paid retroactive to the date of appointment.

Section 4. Longevity: The parties recognize the value and institutional knowledge gained from continuous service with the police department.

For those employees who have completed at least 120 months (10 years) of continuous service with the police department, the employee will receive a premium incentive of 2% of their base hourly rate for all hours worked.

For those employees who have completed at least 180 months (15 years) of continuous service with the police department, the employee will receive a premium incentive of 3% of their base hourly rate for all hours worked.

For those employees who have completed at least 240 months (20 years) of continuous service with the police department, the employee will receive a premium incentive of 4% of their base hourly rate for all hours worked.

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Longevity incentives are not cumulative. Employee only earns one percentage value.

Section X: As part of each employee's compensation, the parties acknowledge the City may, at its discretion, provide di minimis (incidental) fringe food and beverages for work related functions and for work purposes without further bargaining obligation. (bargaining note: To address new Oregon Ethics Commission ruling)

Section 4. — PERS Pick-up. In addition to the City's employer contributions to PERS, the City shall, pay what would otherwise be the employee's six percent (6%) contribution to PERS ("PERS Pick-Up"). Although the PERS Pick-Up contribution is an employee contribution for purposes of PERS, it shall be treated as an employer contribution for federal income tax purposes in accordance with relevant sections of the IRC. — (bargaining note: moved to Article 7)

NOTE IN BARGAINING — AND AGREED: Upon conclusion of bargaining, the Chief of Police will establish a roster of those who are recognized to receive specialty pay noted above in this TA. Incentives and/or premiums paid under the existing CBA will continue to be paid in the same manner through August 2022 and retroactive to July 1, 2022. Effective September 1, 2022, incentives in Section D will switch to a percentage of base pay as opposed to the flat rate/point system. The new SRO incentive is effective September 1, 2022.

The Reserve Coordinator position and program are under evaluation, however the current assignment will be maintained until the completion of the August pay periods. Designation and assignment of the Reserve Coordinator position after the August pay periods will be made if the City determines to continue the program. (bargaining note: Language is moot)

ARTICLE 19 – OVERTIME

Section 1. Overtime. All overtime shall be compensated at the rate of one and one-half (1 ½) times the employees' his/her regular hourly rate of pay consistent with FLSA. Rate however, no overtime shall be paid where an employee voluntarily exchanges shifts of work or days of work. (bargaining note: Shift trade moved to Section 4)

For an employee assigned a 5/8, 4/10, or 12 hour shift schedule, the employee is eligible for overtime for those hours worked in excess of their regularly assigned workday (8/10/12 hours) for continuous work in the workday.

For Patrol employees who work twelve (12) hour shifts, work in excess of the regularly assigned work shift and work in excess of one hundred seventy-one (171) hours in a twenty-eight (28) day FLSA 7k period shall be paid at the overtime rate of one-and-one-half (1 ½) times the employee's his/her regular hourly rate in accordance with the FLSA.

For the purposes of calculating overtime hours, the use of approved accrued leaves counts as hours worked.

All other overtime for non-7k assigned employees shall be compensated at the rate of one-
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~~and one-half (1 ½) times the employee's regular hourly rate~~ his/her regular rate in accordance with the FLSA. (*bargaining note: redundant*)

Section 2. Call-back. When recalled to work one (1) hour or more after completion of work and departure at end of the last completed shift and call-back more than one (1) hour prior to the start of the next shift, the employee shall receive not less than three (3) hours overtime pay at one and one-half (1 ½) times the employee's regular hourly rate. ~~His/her regular rate.~~

If an employee is contacted off duty and required to engage in work duties without needing to respond to City Hall/Police Department or for an off-site incident and can work remotely from home or other off duty location, the employee will be paid overtime for the actual time worked. If the work duty is for a remote court appearance, the employee will receive a minimum of three (3) hours ~~one (1) hour~~ overtime or greater for the actual time worked. Phone calls to an officer for the purpose of asking the officer if they are available to perform extra work or for matters that are de minimus in time are not compensable. De minimus is generally for calls of less than 5 minutes. Employees will log their activities and time for remote work.

Section 3. Compensatory time. This Agreement constitutes the parties' agreement regarding the use of compensatory time pursuant to 29 CFR § 553.23 et seq. Compensatory time will be accrued at the employee's regular overtime rate and paid at the employee's regular straight time rate. Compensatory time may be earned and taken off with the mutual agreement of the City and the employee. Employees shall have the option to elect compensatory time off subject to the one hundred twenty (120) hour limit on compensatory time bank in lieu of being paid at the overtime rate. Employees may accumulate a compensatory bank not to exceed one hundred twenty (120) hours.

Compensatory time will be taken off by the employee at times which do not disrupt operations or cause the City undue hardship or otherwise avoidable overtime expense. An employee who desires compensatory time off shall arrange compensatory time off with the consent of their ~~his/her~~ supervisor. Such consent shall not be unreasonably denied. Compensatory time may be taken upon mutual agreement between the employee and their ~~his/her~~ supervisor. The City may, in lieu of granting compensatory time off, compensate the employee using accrued compensatory time earned by the employee ~~substitute cash and purchase the requested compensatory time off if an agreement to schedule requested compensatory time off cannot be reached. Such payment will be in the normal payroll process.~~ Compensatory time requests may be submitted not more than thirty (30) days in advance. A supervisor shall respond within ninety-six (96) hours of receipt of a request for compensatory time utilization. Compensatory time shall be taken off in blocks no greater than forty (40) hours.

There is no cash out of compensatory time except that the value of a compensatory time off bank shall be computed and paid to the employee upon retirement or other separation from City employment.

Section 4. Shift Trades. Employees in the same classification who have successfully completed FTEP and/or who have been released as qualified to work independently without direct supervision in a solo status, and who are working the same shift (i.e., day/afternoon/grave) may trade shifts with written approval prior to the trade (on a HPD shift trade form) from the affected City "what-if" proposal 7-23-25, valid today

shift supervisor(s). Shift trades will not result in overtime payment for the time traded. Shift trades will not occur as a matter of entitlement and are intended to accommodate unique and personal employee situations. For payroll purposes, records of hours worked will be maintained as if each employee worked their regularly however, however, for all other purposes, other timekeeping records will record specifically who worked when. ~~The City shall not record hours worked on a trade in the time to payroll records of the City; both employees' records of hours of work shall be maintained as if each employee worked the regular hours assigned and shall be paid accordingly.~~ In the event an employee who trades and works a shift for another employee in a holdover or call back situation, thereby working contractual overtime, such overtime, call back or other appropriate compensation shall be paid to the employee who works the hours and shall not be reciprocated as part of the trade agreement. Each employee involved in a shift trade is responsible for maintaining and being able to produce a record of shift trades (the HPD shift trade forms) they have participated in.

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ARTICLE 17 – SALARY ADMINISTRATION

Section 1. Step Advancement: Twelve Month Increases: Each new employee shall receive a one-step salary increase on their twelve (12) month anniversary consistent with the established pay scale for steps A through I, except as provided below. Employees receiving an unsatisfactory performance review will receive a notice of deficiency identifying the areas of deficient performance and be provided a period of ninety (90) days in which to remedy the deficiency or forfeit the step increase.

Performance review conducted at the close of the ninety (90) day period will determine eligibility for the step consideration. Any employee denied a step increase in accordance with this provision will be eligible for consideration for the same step level, subject to satisfactory performance review, on their next anniversary date. A subsequent satisfactory performance review will allow the employee a one (1) step move.

Section 2. Advanced Step Placement. On recommendation of the Police Chief and approval of the City Manager, a starting employee may be placed at a higher level based on years of experience. if the experience of the applicant dictates the extra salary. A lateral officer hire may be placed at a higher step based on years of continuous law enforcement while a certified DPPST officer in Oregon.

Section 3. Anniversary Date. Employees who begin work prior to the fifteenth (15th) day of any month shall have an anniversary date of the first of that month. Employees who begin work on or after the fifteenth (15th) day of the month shall have an anniversary date of the first of the following month.

Section 4. Step Advancement. Subject to annual review showing satisfactory performance, all employees will be raised annually to the next step of the salary schedule on their anniversary date of hire, as defined in Section 3, until the top step of the schedule is reached.

~~Employees receiving an unsatisfactory performance review will receive a notice of deficiency identifying the areas of deficient performance and be provided a period of ninety (90) days in which to remedy the deficiency or forfeit the step increase.~~

~~Performance review conducted at the close of the ninety (90) day period will determine eligibility for the step consideration. Any employee denied a step increase in accordance with this provision will be eligible for consideration for the same step level, subject to satisfactory performance review, on their next anniversary date. A subsequent satisfactory performance review will allow the employee a one (1) step move.~~ (bargaining note: moved to Section 1 above)

ARTICLE 18 – WORK SCHEDULES

Section 1. Regular Work Shifts. The work week shall consist of five (5) consecutive eight (8) hour days or four (4) consecutive ten (10) hour days or a variation of nine (9) hour or twelve (12) hour days. An employee's work week will start the first day worked on the designated shift or rotation. The parties elect to follow FLSA 7(k) rules and comply with FLSA requirements. For employees assigned an FLSA 7(k) schedule, the work period will be 28 days. For reference, the full first cycle in FY 2024-2025 starts July 21, 2025.

Section 2. Regular Workday and Breaks. The workday shall include a paid one-half (1/2) hour meal period and two (2) paid fifteen (15) minute rest breaks, one (1) rest break during each half of an employee's shift. Due to the emergency nature of responding to law enforcement calls for service, officers are subject to call throughout their workday.

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ARTICLE 20 – BEREAVEMENT LEAVE

In the event of death in the employee's immediate family, the employee shall be granted a paid leave of absence not to exceed five (5) calendar days. Such leave is concurrent with any eligible OFLA leave. For the purpose of this Article, immediate family is defined to include the employee's present spouse or registered domestic partner, children, step-children, parents, step-parents, brothers, sister, grandparents, in-laws, and dependent. Use of bereavement leave must be within 60 days of passing. At the discretion of the Chief, bereavement leave under this article may be permitted beyond sixty (60) days.

(bargaining: The exercise of discretion by the Chief is not subject to grievance)

DB JCS 6/10/25
TA CLW 6/10/25

ARTICLE 21 – LAYOFF

Section 1. Layoff. In the event of layoff (as opposed to discharge for just cause), employees shall be laid off in the inverse order of their seniority by classification. Employees given notice of lay off and who have served in a lower ranking position may elect to bump the least senior person in a lower classification. For the purposes of this agreement, the classification of Patrol Officer is a higher rank than Records Specialist., provided the senior employee is qualified for the remaining position, and further provided that the senior employee is currently serving in that position or has previously served in that position for the City.

Section 2. Recall. Recall rights shall exist for a period of twelve (12) months from the date of layoff. Employees shall be recalled from layoff according to the order of layoff by classification. (last layoff off is first recalled) to seniority, provided the senior employee is qualified for the position and has worked in that position for the City. No new employees shall be hired in any classification until employees are recalled pursuant to this section. It shall be each employee's responsibility to keep the City apprised of their his/her current mailing address during the recall period. Failure to respond to a recall notice within 14 days of mailing forfeits their recall status.

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ARTICLE 22 – DISCIPLINE AND DISCHARGE/PROBATIONARY PERIODS

Section 1. Purpose. This Article is designed to establish department policy and procedure for the disciplinary process. It is responsive to and is closely related with the investigation and disposition of complaints as well as performance issues. In order to protect the rights of citizens and department members, it is the policy of the police department to thoroughly investigate complaints alleging misconduct, lack of performance, or improper performance of any department employee. At the conclusion of an inquiry or complaint investigation, appropriate action will be taken. No non-probationary employee shall be discharged or disciplined except for just cause consistent with applicable law.

Section 1.5. Corrective Actions/Counseling:

Forms of evaluation, corrective actions, and counseling are not discipline and may not be protested through the grievance process. Other actions may include such activities as encouragement, counseling, and training. Corrective actions may be instruction or counseling intended to modify or reinforce the behavior of an individual and/or correct an employee's behavior or performance. These measures are less formal means of resolving issues related to daily operations or conflicts. Corrective actions/Counseling may serve as notice to the employee for future disciplines. Written corrective actions/counseling can be maintained in the supervisory file for review for yearly evaluations but are not placed in the personnel file. Corrections actions/Counseling will be clearly labeled. Upon request, an employee may review and request copies of counseling documents in their supervisory file. The employee may submit a written rebuttal to the corrective action or counseling. It will be maintained in the supervisory file with the counseling documents. After the later of twelve (12) months or the employee's next annual performance evaluation, corrective actions and counseling will be considered stale and not used for progressive discipline if no further similar actions or discipline has been imposed for similarly related conduct. These actions may be used for notice of rule. Nothing in this article will be construed to prevent or prohibit the Police Chief or a superior officer from discussing operational matters informally with employees.

Section 2. Disciplinary Actions

Formal Disciplinary Actions for misconduct will not be imposed upon a non-probationary employee without just cause consistent with applicable law. Formal Disciplinary Actions are: written reprimand, suspension without pay, reduction in salary, demotion, and termination. Disciplinary action will normally be progressive in nature, however the form of discipline may be determined based upon the seriousness of the offense or behavior or imposed consistent with state law and regulations.

Separation of employment for not meeting the essential functions of the position, including but not limited to loss of certification or medical ailment, is not considered a disciplinary action.

Employees on probation may be disciplined "at-will" and are not subject to just cause standards for disciplinary actions and cannot grieve disciplinary actions imposed.

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~~Discipline has as its immediate purpose the channeling of individual effort into effective and productive action. Corrective actions may include such activities as encouragement, counseling, and training. Formal discipline may be imposed when deemed appropriate for just cause. Corrective action may be instruction or counseling intended to modify or reinforce the behavior of an individual and/or correct an employee's behavior or performance.~~

~~Oral counseling and warnings for the purpose of resolving performance or work related issues may be documented in writing and retained in a supervision and/or performance and/or personnel file as the City may determine, and are not subject to the grievance procedure. Such actions may be relevant to progressive discipline consideration for a period of one year.~~

~~Disciplinary may include written reprimand, suspension without pay, demotion, and termination, imposed due to the seriousness of behavior or conduct in a particular instance or when corrective actions taken previously has been ineffective. Disciplinary action will normally be progressive in nature, however the form of discipline may be determined based upon the seriousness of the offense or behavior.~~

Section 3. Probationary Period. *(bargaining note: suggestion to make this a separate article 25. Note: Old 25 is now moot)*

A probationary period is intended as a period of time to evaluate employees. Sworn officers shall be required to complete an eighteen (18) month probationary period. Non-sworn bargaining unit employees shall be required to complete a twelve (12) month probationary period. If the City hires a lateral with six (6) or more years sworn Oregon experience for a sworn position, the lateral probation shall be twelve (12) months. Probation begins from date of hire.

Probationary employees are represented by the Association and entitled to all the benefits of this Agreement, except however that probation is an extension of the background and selection process and during the probation period the City may determine in its discretion that the probationary employee performance is not satisfactory and warrants termination of employment. In such event, the probationary employee shall not be entitled to recourse under the grievance article of this Agreement.

An employee's probationary period may be extended, at the City's discretion. The City may toll an employee's probationary period resulting from absences due to medical reasons or similarly related circumstances in order to complete the observation period. Except for a circumstance of tolling a probationary period, in no case will an employee's probationary period be extended for more than sixty (60) days. Employees will be notified of appointment to regular status, extension of probation or termination prior to the completion of their probationary period. An employee whose probationary period is extended will be issued written confirmation of the extension with an explanation of the reasons for the extension.

In the case of a promotional appointment within the bargaining unit, an employee will serve a 6 month probationary period, if the promoted employee fails to successfully complete the new position's probationary period, the employee will revert to their prior classification. The employee retains their seniority including time in the promoted position. While on probation, the City "what-if" proposal 7-23-25, valid today

City is not precluded from termination of employment for failed performance or imposing disciplinary action for misconduct.

In the case of promotional appointments to a classification outside of the bargaining unit, and within the police department, if the promoted employee unit fails to successfully complete the new position's probationary period, the employee will revert to their prior classification. The employee retains their seniority including time in the promoted position. As earned at the time prior to promotion. While on probation for a promoted classification not within the bargaining unit, the City is not precluded from termination of employment for failed performance or imposing disciplinary action for misconduct without grievance.

Section 4. Notice of Investigatory Interview or Internal Affairs Investigation

A. Notice:

Prior to formal investigatory interviews for the purpose of potential discipline, which could reasonably lead to disciplinary action, the employee and the Association shall receive confidential written notification of the investigatory interview ~~complaint~~ at least six (6) hours before the interview.

This notice shall include:

- a. a copy of the original complaint, or a summary listing the relevant facts.
- b. notice of potential policy or criminal violations.
- c. notice of opportunity to consult an Association or legal representative prior to the interview and have Association representation during such interview in accordance with PECBA rights.

B. Investigatory Interviews:

- a. Should an employee be ordered to testify in any investigatory hearing that includes conduct of a criminal nature, the employee shall be given written "Garrity" warnings. *(management note: current practice is that City does not give Garrity unless there is a criminal element. Garrity is provided based upon review by the chain of command.)*
- b. Interviews ordinarily will be conducted during the officer's regular hours of duty, unless of exigent circumstances and shall be conducted in a professional manner with reasonable breaks as necessary.
- c. Investigatory interviews will be audio recorded by the City, or designee. The City will ~~can be recorded by either party, and if so, either party will~~ provide timely copies upon request, including transcripts if done.

Section 5. Notice of Proposed Discipline and Pre-Disciplinary Hearing.

- A. Notice to Employee. Prior to management reaching any final conclusion to impose a disciplinary action, the employee and the Association shall be provided the following

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information prior to the pre-disciplinary or "Loudermill" hearing:

- a. A copy of the investigation and witness statements supporting the allegations.
- b. The policy, work rules or other basis for the discipline.
- c. The disciplinary action being considered or proposed.

B. Pre-disciplinary/Loudermill Hearing. Prior to imposition of a disciplinary action, the employee and Association shall be afforded opportunity to respond in writing to the charges, and/or to meet with the Chief of Police or individual with the authority to impose the discipline for the alleged conduct, normally within seventy-two (72) hours of receipt as delineated in the notice. This opportunity shall include the right to provide information including extenuation, mitigation and defense.

Section 6. Imposition of Discipline.

Imposition of disciplinary action ~~discipline~~ requires written notice to the employee to include: the specific allegations, the supporting evidence and the sanction imposed. The employee will be provided with a full copy of the investigation unless this documentation was provided to the employee and the Association during procedures described above in this Article. When the City provides disciplinary documentation to an employee the City shall copy the Association. Disciplinary actions will be imposed in a private manner.

City "what-if" proposal 7-23-25, valid today

ARTICLE 23 – OUT OF CLASSIFICATION

When an employee is assigned in writing to perform substantially all the duties of a classification with a higher rate of pay than their ~~his/her~~ own regular classification, while so assigned, the employee will be paid at the entry pay step of that classification, or five (5%) percent out-of-class pay, ~~whichever is the greater.~~ *(bargaining note: current practice is 5%)*

TA CW 6/10/25 B 85 6/10/25

City proposal to HPA 5-12-25 ~~revised 6-10-25~~

5-12-25

ARTICLE 24 – ASSOCIATION MANAGEMENT COOPERATION

Each employee covered by this Agreement recognizes that employment at a fair wage can continue only as long as a high level of productivity is maintained. The City, the Association and all employees jointly enter into this Agreement pursuant to that recognition. Each employee pledges their ~~his/her~~ cooperation in eliminating waste, in conserving equipment and in preventing excessive absenteeism.

TA CLW 6/10/25
City of Hermiston proposal to HPA 6-10-25

TA SSS
6/10/25

ARTICLE 25 – HOLIDAYS

(deleted: defer to PTO in Article 5)

Section 1. — Designated Holidays. The following holidays shall be designated as official holidays and shall be observed in accordance with this contract:

New Year's Day _____
 Martin Luther King, Jr.
 Presidents' Day
 Independence Day
 Labor day
 Memorial Day
 Veteran's Day
 — Thanksgiving Day
 — Christmas Day

Section 2. — Personal Days. Employees will also accrue one personal employee day (aka "e-day off on January 1, and July 1, of each calendar year which must be used or forfeited within the calendar year earned. Personal days have no value upon separation of employment.

Section 3. — Holiday In Lieu Accrual. Due to the nature of law enforcement, employees may be required to work holidays. Employees who work eight (8) or nine (9) hour shifts shall receive forty-four (44) hours of holiday leave on January 1 and again on July 1 (hereinafter, the holiday "bank"). Employees that work ten (10) or twelve (12) hour shifts shall receive sixty-six (66) hours of holiday leave on January 1, and again on July 1. This time will be banked and can be used in the same manner as vacation accrual. All holiday and personal days must be used in the calendar year or will be forfeited. *(do many people forfeit? Does this cause a log jam in December?)* Effort should be made for timely use of holiday time, to avoid demands at the end of the year which creates situations below minimal staffing levels. Holidays will be recognized on the actual day of the holiday. *(does this include Records, or do they observe the holiday as off?)*

Section 4. — Pay In Lieu of Holiday Accrual. Employees who work a holiday will receive overtime pay (rate of double time) for the hours worked. Upon payment, the holiday benefit for that holiday is received and charged to the bank. Employees may elect to work the holiday for straight time and bank the eight hours of leave.

TA CW 6/10/25 TA SOS 6/10/25

~~Section 5. — Holiday Accrual Cash-out. If an employee wishes to receive compensation for accrued holiday time, the employee “cash out” holiday time, they can one time per calendar year, request compensation for cash out up to forty (40) hours of holiday time. The employee must have the requested amount in their holiday balance at the time of request. Payment is made in the next payroll process.~~

~~Section 6. — Holiday Accrual Payment at Separation. If an employee separates from the City, tabulation of holiday leave will be based on the actual holiday occurrence and use. *(explain: is this because an employee may quit mid-year but has been front loaded time?)*~~

ARTICLE 26 – WORKER'S COMPENSATION

The City shall provide workers' compensation insurance or self-insure in accordance with law. During the period of workers' compensation related time loss, the injured employee will continue to accrue seniority and shall be eligible for other benefits of this Agreement. In case of accidental occupational injury to any employee, such injury shall be reported immediately to the employee's supervisor. The employee shall cooperate with the City and complete and submit all required reports and claim forms as promptly as the injury permits.

An employee who is entitled to receive Workers' Compensation time loss payments is compensated an amount computed by the Workers' Compensation insurer as provided by law based upon annualized earnings (base wage plus premiums, incentives and overtime). The employee shall receive these payments during the time loss eligibility period as provided by law. Employees retain their worker's compensation payments as received by the carrier.

In addition, during the first ninety (90) days of a Workers' Compensation time loss due to an on the job injury or illness, if the time loss payment from the Workers' Compensation insurer is determined by the City to be less than the employee's net monthly regular salary, annualized earnings (base wage plus premiums, incentives and overtime net of taxes), the City will pay to the employee an amount equal to the difference between the Workers' Compensation payment received and the employee's net monthly regular salary.

During the first ninety (90) days, if the employee returns to light duty and the employee's compensation received for light duty and time loss payments is less than the employee's net regular salary, the City will pay to the employee an amount equal to the difference between the compensation currently received and the employee's net regular salary.

After 90 days from Beginning on the ninety-first (91st) day after the date of injury, the employee may use any form of paid time off including accrued comp time, holiday credits, and vacation credits and any accumulated sick leave if the employee desires to supplement Workers' Compensation payments under this Agreement so that the injured employee receives the employee's net regular salary. Under no circumstance may an employee use accrued paid leave to exceed the employee's net regular monthly salary. An employee may notify the City that the employee does not want the leave charged against accrued leave, and the employee will remain in time loss and/or other appropriate protected leave status.

Health care practitioner (HCP) progress reports may be required prior to approval of payments under this Article.

For the purposes of this Section, "net regular salary" is calculated based upon the formula used by the Workers' Compensation insurer as provided by law.

While an employee is out on Workers' Compensation the employee shall be entitled to accrue full holiday, vacation, sick leave and other leave accruals they would otherwise earn and be eligible for if the employee was working the full month.

ARTICLE 29 – DRUG AND ALCOHOL PROGRAM

Section 1. Safety and Productivity. The City of Hermiston and the Association recognize a responsibility to the citizens of Hermiston and the City's employees to maintain safe and productive working conditions. The parties also recognize the special duties and responsibilities that public safety employees have, including the need to maintain the respect and confidence of the citizenry.

Section 2. Drug Free Workplace. To aid in the accomplishment of the goals noted in Section 1, the City forbids the possession, distribution, dispensation, manufacture, sale or use of illegal drugs, or the abusive use of legal drugs by any bargaining unit employee at any time. For the purposes of this article, marijuana is considered an illegal drug regardless of legal use. The City also forbids the use abusive of alcohol in the work place.

For the purposes of this Article, "use" of illegal drugs, or alcohol is indicated by the presence of any detectable amount of an illegal drug use ; or alcohol an employee's system during work time.

Section 3. Assistance and Treatment. Any employee with a substance abuse problem is strongly encouraged to voluntarily seek professional assistance, counseling, and/or treatment. Such help is available through the City's Employee Assistance Program or a list of local sources for such help is available from the City. The parties stand ready to assist in that process wherever appropriate.

Section 4. Reasonable Suspicion Testing. Where there is reasonable suspicion that an employee is using illegal drugs (including marijuana) or abusing legal drugs or alcohol in violation of this Article, or where an employee is involved in an accident or other incident, while on duty, in which reasonable safety precautions appear to have been ignored, an employee may be required to submit to testing for presence of drugs or alcohol.

Employee testing will be at City expense. Analysis of such tests will be done at a licensed clinical laboratory which is US DOT certified. Employees may be subject to breath, urine or blood testing, which shall be conducted only upon reasonable suspicion.

Section 5. Accommodation. In appropriate cases where substance abuse is determined to be subject to the ADA and reasonable accommodation, accommodation may be considered as an alternative to discharge. In the event of a positive test, an employee who seeks professional help for addiction or alcoholism may be suspended without pay during a time determined necessary to successfully complete in-patient or other professionally administered treatment or rehabilitation program acceptable to the employee and the City. In the absence of other aggravating and disqualifying circumstances, upon successful completion, an employee will be reinstated subject to periodic retesting at any time for a three (3) year period and subject to the terms of a last chance agreement acceptable to the City.

The confidential nature of these matters will be respected in the administration of these procedure to the extent possible consistent with their effective use.

TA CW 5/12/25 To 801 5/12/25

ARTICLE 32 – SAVINGS CLAUSE
&
MIDTERM BARGAINING

Consistent with ORS 243.702, should any provision of this Agreement be found by a court of competent jurisdiction to be in violation of any federal, state or city law, that provision will be submitted to negotiations to bring it into compliance with the law. The remaining provisions of this Agreement shall remain in full force and effect.

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter appropriate for collective bargaining and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the City and the Association, for the life of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other will not be obligated to bargain collectively with respect to any subject covered by this Agreement.

The parties acknowledge the obligation of ORS 243.698 as related to matters of "employment relations" not otherwise covered by this Agreement. The City acknowledges midterm bargaining obligations under PECBA and will adhere to ORS 243.698 as related to changes in matters of "employment relations" not otherwise covered by this Agreement. The Association agrees to not initiate new proposals for midterm bargaining.

City "what-if" proposal 7-23-25, valid today

ARTICLE 33 – DURATION OF AGREEMENT

City seeks a 3 year term

Section 1. Term. This Agreement shall become effective as of (TBD) July 1, 2022 and shall remain in full force and effect through (TBD) June 30, 2025, or until a successor agreement is reached. The parties agree to initiate bargaining a successor agreement by scheduling a first bargaining session in February of the expiring year of this agreement, unless mutually agreed otherwise. ~~Notice to bargain a new contract shall be provided at least ninety (90) days prior to termination.~~ *(bargaining note: As required by statute, the City acknowledges status quo obligations will in successor bargaining)*

Section 2. Amendments. The Agreement may be amended at any time by mutual agreement of the Association and the City; such amendments shall be in writing and signed by both parties.

APPENDIX A

(to be revised consistent with bargaining)

Sergeant scale to be added

City "what-if" proposal 7-23-25, valid today