



# CITY COUNCIL

## AGENDA

MONDAY, FEBRUARY 10, 2025

COUNCIL CHAMBERS - 180 NE 2ND ST.

*Where Life is Sweet*

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

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

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

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

**2. DECLARATION OF QUORUM**

**3. FLAG SALUTE**

**4. CITIZEN INPUT ON NON-AGENDA ITEMS**

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

**5. CONSENT AGENDA**

**A.** Committee Vacancy Announcements

**B.** Budget Committee Confirmation Re-Appointments for 3-year terms ending December 31, 2027: Position 7, Brian Misner; Position 8, David Hansen; and Position 9, John Douglass.

**C.** Budget Committee Confirmation Appointment for remaining 3-year term ending December 31, 2025: Position 3, Rod Hardin.

- D. Faith-Based Advisory Committee Confirmation Appointment for 3-year term ending December 31, 2027: Position 3, Rafael Vargas.
- E. Faith-Based Advisory Committee Confirmation Re-Appointment for 3-year term ending December 31, 2027: Position 4, Chris Hankel.
- F. Library Board Confirmation Appointment for the remaining 4-year term ending June 30, 2026: Position 4, Linda Tibbals.
- G. Minutes of the January 23rd and 24th City Council Goal Setting Session Meetings
- H. Minutes of the January 30, 2025 Public Infrastructure Committee meeting
- I. Minutes of the January 30th Regular City Council Meeting

**6. ITEMS REMOVED FROM CONSENT AGENDA**

**7. OTHER**

- A. Upcoming Governance-related Items Discussion
- B. Pickleball Complex Naming Agreement

**8. COMMITTEE REPORTS**

**A. City Committee and Liaison:**

Airport Advisory, Budget, Hispanic Advisory, Library Board, Parks and Recreation, Planning Commission, Recreation Projects Fund, Faith-Based Advisory, Community Accountability, Public Safety, Public Infrastructure, Transit Planning, EOTEC, Stepping Stones Alliance (not a City Committee)

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

**9. ADJOURN & TOUR OF THE HARKENRIDER SENIOR CENTER**

**\*\* 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 Advisory Committee**
  - Position 1: 3-year term ending October 31, 2027 (Advertised as of 11/08/2024)
  - Position 7: Remaining 3-year term ending October 31, 2026 (Advertised 11/08/2024)
2. **Airport Advisory Committee**
  - Position 3: 3-year term ending October 31, 2027 (Advertised as of 07/08/2024)
  - Position 2: Remaining 3-year term ending October 31, 2026 (Advertised 11/08/2024)
3. **Library Board**
  - Position 4: Remaining 4-year term ending June 30, 2026 (Advertised as of 07/08/2024)
4. **Budget Committee**
  - Position 3: Remaining 3-year term ending December 31, 2025 (Advertised 11/08/2024)
  - Positions 7, 8, & 9: 3-year term ending December 31, 2027 (Advertised 11/08/2024)
5. **Faith-Based Advisory Committee**
  - Positions 3 & 4: 3-year term ending December 31, 2027 (Advertised 11/08/2024)
6. **Hispanic Advisory Committee**
  - Position 1: Remaining 3-year term ending June 30, 2026 (Advertised 11/15/2024)
  - Position 4: Remaining 3-year term ending June 30, 2025 (Advertised 01/09/2025)
7. **Recreation Projects Fund Advisory Committee** (Representing the Parks and Recreation Committee)
  - Position 3: Remaining 3-year term ending December 31, 2026 (Advertised 11/15/2024)

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

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

### Goal Setting Meeting Minutes January 23 & 24, 2025

Mayor Primmer called the Goal Setting Meeting for Thursday, January 23, 2025 to order at 5:30pm. Present were Councilors Duron, Myers, Linton, McCarthy, Hayward, Kelso, Roberts, and Barron. Staff members in attendance were City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Ignacio Palacios, Library Director Mark Rose, Parks and Recreation Director Brandon Artz, Chief Jason Edmiston, Planning Director Clint Spencer, Court Administrator Jillian Viles, Hermiston Energy Services General Manager Nate Rivera, Human Resources Specialist Crystal Inners, IT Director Jordan Standley, EOTEC General Manager Al Davis, and City Recorder Lilly Alarcon-Strong.

Sara Singer Wilson and Sasha Konell from SSW Consulting, LLC and City Manager Smith outlined the agenda and gave information and updates (PowerPoint Presentations attached) regarding Hermiston's Community Vision to include Hermiston 2040 and previous established goals, including accomplishments and challenges of those projects and goals. After Council and staff discussion, the meeting adjourned for the evening at 8:00pm.

Mayor Primmer called the Goal Setting Meeting for Friday, January 24, 2025 to order at 8:30am. Present were Councilors Duron, Myers, Linton, McCarthy, Hayward, Kelso, Roberts, and Barron. Staff members in attendance were City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Ignacio Palacios, Library Director Mark Rose, Parks and Recreation Director Brandon Artz, Chief Jason Edmiston, Planning Director Clint Spencer, Court Administrator Jillian Viles, Hermiston Energy Services General Manager Nate Rivera, Human Resources Specialist Crystal Inners, IT Director Jordan Standley, EOTEC General Manager Al Davis, and City Recorder Lilly Alarcon-Strong.

Sara Singer Wilson and Sasha Konell from SSW Consulting, LLC worked with Council and staff to review the 2024 goals as discussed the day prior, helped refine these goals to identify and prioritize those that should continue to move forward in 2025, and discussed resources and capacity to establish new Council Goals. After Council and staff worked on this effort, Sara stated the 2025 goals will be refined by SSW Consulting, LLC and presented for adoption at a City Council Meeting in the near future.

The meeting was adjourned at 1:29pm.

SIGNED:

\_\_\_\_\_  
Doug Primmer, MAYOR

ATTEST:

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



*Where Life is Sweet*

## A Look Back at the Vision + Goals

City Council Retreat | January 23, 2025



## VISION + ACTION PLAN

### A COMMUNITY WHERE FRIENDLINESS AND OPPORTUNITY ABOUND

**Welcome to Hermiston. Where life is sweet and our  
future is sweeter.**

*In 2040, Hermiston is a community where everyone is welcome – whether you're visiting or looking for a place to call home, we provide a safe, beautiful, and close-knit community where neighbors help one another, and friendliness and opportunity abound. From a booming economy to recreational amenities, we have big city services rooted in small-town values.*



As the fastest growing community in eastern Oregon, Hermiston is fostering growth that embraces the diversity of its growing population while preserving the small-town feel. Hermiston's individuals and families thrive in a community that offers access to economic opportunities, diverse retail offerings, housing options for all, and world-class education and support services.

### Goal 1: Growing + Prosperous

- 1.1 Expand retail, dining, and community attractions.
- 1.2 Increase housing opportunities.
- 1.3 Provide economic opportunities that allow individuals and families to thrive.
- 1.4 Provide world-class education and support services for people of all ages.



Hermiston is the healthiest and safest community in eastern Oregon thanks to high-quality health care options and a collaborative network of partners providing services that support individual and family health and safety for all. Our community provides a healthy and attractive built environment with access to recreational and wellness opportunities. We are connected to our neighbors, leaders and public safety professionals to ensure our community, schools, and neighborhoods offer a healthy, safe environment for all.

### Goal 2: Safe + Healthy

- 2.1 Offer access to diverse recreational and wellness opportunities for everyone.
- 2.2 Collaborate with community partners to establish a network of services that support individual and family health and safety for all.
- 2.3 Provide a healthy, safe environment.



Hermiston prides itself on being a welcoming and inclusive community – where people create strong social connections and take care of one another. We foster strong relationships with friends, family, and neighbors and enjoy unique destinations and gathering places that offer a sense of place and community. We embrace our diversity and celebrate our historic and cultural roots through art, food, and events.

### Goal 3: Connected + Engaged

- 3.1 Provide activities, attractions, and events for people of all ages.
- 3.2 Provide facilities and events that celebrate and promote Hermiston's culture, history, and art.
- 3.3 Enhance community outreach and collaboration with Hermiston's community partners.

## 2020 GOALS

### Goals

- Develop a Vision for the City
- City Facilities that meet current and future needs of the community
- Improve the Community's access to Justice
- Invest in Hermiston's Transportation infrastructure
- Support Hermiston's local economy



We are growing in a sustainable way that ensures our built environment and infrastructure provides the critical support needed for our daily lives. We responsibly plan and invest in Hermiston's infrastructure to ensure we have streets offering smooth-flowing traffic, safe and accessible pedestrian networks, clean water, and parks with amenities for everyone in our community.

### Goal 4: Sustainable Hermiston

- 4.1 Support services and policies that preserve our natural resources and environment.
- 4.2 Improve the City's mobility.
- 4.3 Provide the infrastructure needed to support a growing community.

## 2021 GOALS

### Goals

- Develop **Engagement + Communication** infrastructure
- Exercise **Fiscal Prudence**
- Support the development of **Housing**
- Invest in **Transportation Infrastructure**
- Foster **Community Partnerships**
- Plan for **City Facilities**

## 2022 GOALS

### Goals

- Growing + Prosperous
  - Workforce Development
  - Transportation
  - Housing
- Safe + Healthy
  - Wellness
  - Homelessness
  - Mental Health
- Sustainable
  - City Facilities
  - Water
- Connected + Engaged
  - Digital Infrastructure
  - Arts + Culture
  - Community Engagement
  - Advocacy

## 2023 GOALS

### Goals

- Growing + Prosperous
  - Workforce Development: Attract industry and jobs
  - Transportation: Improve mobility and transportation
  - Housing: Increase senior and affordable housing, market rate rentals, and prevent people from becoming unhoused
- Safe + Healthy
  - Wellness: A healthy community
  - Community Safety: Reduce recidivism and connect people with treatment services
  - Public Safety: Improve traffic safety and reduce budget pressures for the police department
- Sustainable
  - City Facilities: Public facilities that meet community needs of today and the future
  - Fiscal: Maintain service levels, evaluate the current budget and understand options to increase revenues
- Connected + Engaged
  - Community Engagement: Improve engagement and connection with the community



## Introduction

- Goal Structure
- Accomplishments
- Context Updates
- Discussion



## Goals Structure

- Hermiston 2040
  - Extensive Community Outreach to understand values and priorities of the community
  - Done in the midst of the COVID-19
  - Broke priorities/ideas down into four Vision Goal Areas
- Since 2022 we have used these areas to structure our goals.
  - Growing + Prosperous
  - Safe + Healthy
  - Sustainable
  - Connected + Engaged



## Accomplishments

- 2015 (12 of 18 Council)
  - Code Enforcement Enhancement
  - Skate Parks
  - Community Clean-up Events
  - Library Expansion as community hub/makerspace
  - Update Water Master Plan
  - Park and Trail Developments (NE Park Development)
  - Pave remaining gravel streets
  - Sidewalks on older streets
  - Existing Fairgrounds Redevelopment
  - Public Transportation System
  - Aging Sewer Collection System
  - Alora Heights Booster Station



## Accomplishments

- 2015 (5 of 7 Staff)
  - Develop and Implement Capital Improvement Plan
  - Implement GIS Mapping Program
  - New City Hall
  - Add Backup Generators to critical water sources
  - Construct Water Storage



## Accomplishments

- 2016
  - EOTEC – Complete Construction
  - Develop CIP
  - Maintain service levels
  - Reorganize for efficiency
  - Utility Maintenance staff
  - Improve and Increase online access to services
  - Recreation Development (East side parks)
  - TSP Review
  - Assess city facilities and plan for city hall as a one-stop
  - Conference/community center
  - Downtown revitalization including parking
  - Public Transportation plan
  - Assist with Senior Center



## Accomplishments

- 2017
  - Family/Youth Facility and Aquatic Facility
  - Festival Street and Downtown
  - Complete EOTEC
  - Figure out EOTEC Management Structure
  - Housing
  - Retail
  - Jobs/Primary Economic Development
  - Complete CIP and Establish Funding



## Accomplishments

- 2018
  - Recreation and Aquatic Center Feasibility/Funding
  - EOTEC Strategic Plan/County Exit/Assist on Road project
  - Housing - Water tank design
  - Housing - Diagonal Road Rezoning
  - Adopt water/sewer/electric CIP
  - Sidewalk infill plan
  - Hermiston Avenue design



## Accomplishments

- 2018
  - Complete Harkenrider including parking
  - Complete Festival Street (ribbon cutting festival)
  - Host Workforce Summit
  - Work with partners on training for the trades



## Accomplishments

- 2019
  - Housing – NE water and street investments
  - Develop the South Hermiston Industrial Park (SHIP)
  - N. 395 Urban Renewal Area Plan
  - EOTEC Strategic Plan
  - HWAC concept/process/partners
  - Listed a number of specific CIP projects
  - Facility needs and planning
  - Communications Staffing
  - Automation Opportunities
  - Cost allocation



## Accomplishments

- 2020
  - Community Visioning Process (Hermiston 2040)
  - Evaluate all city fees
  - Completion of South Hermiston Industrial Park
  - Analyze and Improve Municipal Court Processes
  - Resume adjudication of A Misdemeanors



## Accomplishments

- 2021
  - Improve two-way communication
  - Complete Community Vision Process
  - Evaluate System Development Charges (SDC)
  - Support the development of housing
  - Extend Gettman Road (ongoing)
  - Complete River Bridge Analysis
  - Partnerships (ongoing and multi-faceted)
  - Broadband Analysis and Possible Development



## Accomplishments

- 2022
  - Determine City role as it relates to homelessness
  - Explore Options for providing mental health support services at Municipal Court
  - Complete City Hall
  - Assess EOTEC management options
  - Explore broadband/fiber options to support City facilities
  - Explore opportunities for an arts and cultural/museum at the Carnegie Building



## Accomplishments

- 2023
  - Urban Growth Boundary Expansion
  - TSP Update
  - Safe Streets for All
  - Explore options for a community court program
  - Implement red light photo enforcements along 395
  - Explore Public Safety fee
  - Develop Business Plan for Harkenrider
  - Assess public safety center project feasibility
  - Develop sustainable funding structure
  - Increase youth engagement (ongoing)
  - Use and Evaluate communication tools



## Accomplishments

- 2024
  - Urban Growth Boundary Expansion
  - TSP Update
  - Safe Streets for All
  - Feasibility of and land for HAWC
  - Red Light enforcement
  - Plan to increase police officer staffing
  - Library
  - Public Safety Center
  - Update internal financial policies



## Context Update

- PATH Project at or near capacity
  - No Long-term State Funding Sources
- 2025 Legislative Session Impacts +/-
- Internal Long-term Staffing/Service Discussions
  - Retirements
  - Growth
  - Service Levels
- 10 Years since adoption of current version of city charter. Time for review.
  - Elected Judge
  - Ward Boundaries



## Context Update

- State mandated police department accreditation
- 7 sworn police officers 87.5% (~\$803,000) funded through community partnerships
  - Hermiston School District
  - Good Shepherd Health Care System
- Economic impact of a new presidential administration
  - Financial (interest rates, etc.)
  - Regulatory



## Context Update

- Approximately 860 homes (~2,000 residents) to be built over the next 5 to 10 years
  - Single-family home building is in a good spot for that time frame.
  - Apartment units are a major need.
- In the longer-term we need to be thinking about infrastructure investments in the NW and SW Quadrants to set the stage for the next stages of residential growth.
- Continued interest in large lot industrial development



## Discussion

*Where Life is Sweet™*

*Where Life is Sweet*

# Public Infrastructure Committee Meeting Minutes

January 30, 2025

Mayor Primmer called the meeting to order at 6:00pm. Councilors Roberts, McCarthy, Linton, and Kelso were present. City staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, Wastewater Superintendent Bill Schmittle, Street Superintendent Ron Sivey, Water Superintendent Roy Bicknell, Parks and Recreation Director Brandon Artz, and Planning Assistant Heather La Beau. Also present was Anderson Perry engineer Joshua Lott.

## **Capital Improvement Plan Updates**

A brief history from Assistant City Manager Mark Morgan included the development of the Capital Improvement Plan (CIP) in 2018-2019 after the city had to borrow money to dredge the sewer lagoon. Utility rates were not structured to allow for budget planning of operational maintenance. The CIP is a “rolling” five-year plan and this is the fourth update. Mr. Morgan used the attached PowerPoint presentation to present the CIP updates to attendees. The updates included project progress, dollars spent and fund sources for the water, sewer and street departments since the plan inception in 2018. The presentation also included some of the three departments’ projects for the next five-year period. Additional projects that have been scoped, for which there is no current funding, can be found in the appendix section of the Capital Improvement Plan being presented to the city council at their January 30 regular meeting. The website [www.hermistonprojects.com](http://www.hermistonprojects.com) has updated information about CIP projects.

## **Annual Rate Adjustment**

Presentation of this item was moved to the city council meeting immediately following this meeting.

## **Adjourn**

Mayor Primmer adjourned the meeting at 6:49pm.



# 2025-2030 CIP Update

January 30, 2025





# CIP Background

- 2017: Borrowed \$1.1M to Dredge Sewer Lagoon
- Pre-2019: Reactive by necessity (fix as it breaks)
- 2019: Water & Sewer Rate Restructuring
- 2019: First 5 Year Rolling CIP Adopted





# Progress Since 2018 & Water

- 2.5 Miles Main Replaced
- 1,200 GPM Supply Expansion
- Master Plan Updated
- Total Spend: \$4,518,793
  - User rates
  - System Development Charges



# Water Examples



# Water Examples





# Progress Since 2018 Sewer

- 0.75 Miles Main Replaced
- 3 Lift Stations Re-Built
- Master Plan Updated
- Total Spend: \$3,831,619
  - User rates
  - System Development Charges



# Sewer Examples



# Sewer Examples





# Progress Since 2018 Street

- 3 Miles Surface Repairs/Rebuilds/Infills
- 1 Mile Sidewalk Infill
- 1 Bridge Replaced

Total Spend: \$5,033,509

- State: \$3M
- Local: \$2M



# Street Examples

## N.W. 3rd Street Paving

Paving Complete on NW 3rd Street



[www.HermistonProjects.com](http://www.HermistonProjects.com)



**HERMISTON**  
OREGON

# Street Examples



# Street Examples





# Progress Since 2018&Equipment





# Progress Since 2018

- Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)
- Water Main: 83 Miles Existing
  - 2.5 Miles = 3%
  - 0.5% per year
  - 200-Year Replacement Cycle





# Progress Since 2018

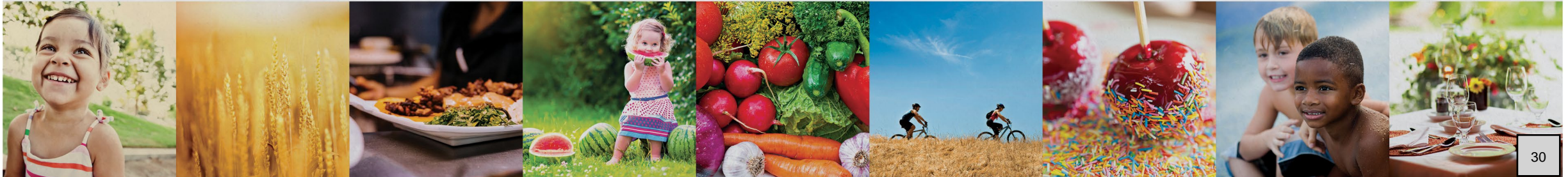
- Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)
- Sewer Main: 80 Miles Existing
  - 0.75 Miles = 0.94%
  - 0.16% per year
  - 625-Year Replacement Cycle





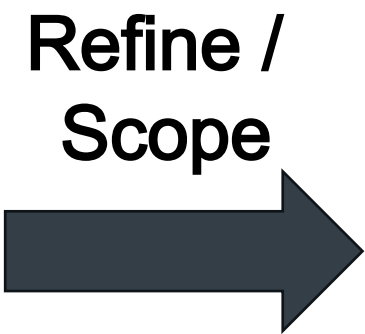
# Progress Since 2018

- Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)
- Streets: 77 Miles Existing (Centerline)
  - 3 Miles = 3.9%
  - 0.65% per year
  - 153-Year Replacement Cycle



# CIP Project Scoping

- Water Needs
  - Main Replace, etc.
  - Well Rehab, etc.
- Sewer Needs
  - Main Replace, etc.
  - Pump Rehab, etc.
- Street Needs
  - Street Rehab, etc.
  - Sidewalk Need, etc.



City of Hermiston, Oregon  
Capital Improvements Plan

Water Department



W 21.0

Project Number:	W 21.0
Project Name:	View Drive Booster Pump Station Upgrades
Fund:	Water
Subcategory:	Supply
Estimated Cost:	\$750,000
Fiscal Year:	2025-26

**Project Description:**

The project will include reconstructing the pump station. The new pump station will be located in an aboveground structure to avoid confined space entry regulations and provide sufficient room for operation and maintenance activities and room for future growth. The project will potentially require property acquisition to develop the facility. Pumps will be resized to ensure they will be able to meet demands within the service area as the service area expands with development. In addition, the pumps will be sized to ensure backup service to Well No. 6 can be supported. Work will include construction of new pumps, valving, control systems, electrical systems, and a structure. Work will need to include accommodations to supply the pressure zone with water during construction. The need for this project should also be evaluated with the potential implementation of projects W 26.0 and W 27.0 discussed herein.

**Project Justification:**

The booster pump station at View Drive is underground, undersized, and obsolete. Originally installed in the 1980s, it has become unreliable due to age. The replacement booster pump station would be designed so it can be expanded in the event that population growth exceeds projections. The View Drive Booster Pump Station provides backup for Well No. 6 and serves industrial areas, the Eastern Oregon Higher Education Center, Walmart distribution center, Pioneer Seed, and the Eastern Oregon Trade and Event Center.

Funding Data:			
Project No.	Fund Name	Amount	Fiscal Year
W 21.0	Water Fund	\$750,000	2025-26
Total for Fiscal Year		\$750,000	

# CIP Resource Identification

## • Water

- User Revenue
- Operations/Debt

## • Sewer

- User Revenue
- Operations/Debt

## • Street

- Revenue
- Operations/Debt

Schedule Pro Forma Revenues and Expenditures		Water Department					
PRO FORMA		Current FY	Projected				
Year (ending June 30th)	24	25	26	27	28	29	30
Beginning Fund Balance	\$ 1,206,948.50	2,840,512	2,809,804	1,629,529	1,565,457	1,501,877	1,536,947
<b>Operating Revenues</b>							
Primary Revenue Source	\$ 5,879,617.00	5,600,000	5,712,000	5,826,240	5,942,765	6,061,620	6,182,852
Other Revenue Source 1	\$ 377,500.00	377,500	377,500	377,500	377,500	377,500	377,500
Other Revenue Source 2	\$ 189,460.00	122,000	122,000	122,000	122,000	122,000	122,000
<b>Total Operating Revenues</b>	\$ 6,446,577.00	6,099,500	6,211,500	6,325,740	6,442,265	6,561,120	6,682,352
<b>O M &amp; R Expenses</b>							
Personal Services	\$ 993,899.00	1,116,227	1,160,876	1,300,000	1,352,000	1,406,080	1,462,323
Materials & Services	\$ 1,204,920.00	1,466,765	1,510,768	1,556,091	1,602,774	1,650,857	1,700,383
Other Operating Expenses	\$ 362,100.00	401,000	417,040	433,722	451,070	469,113	487,878
<b>Total Operating Expenses</b>	\$ 2,560,919.00	2,983,992	3,088,684	3,289,813	3,405,844	3,526,050	3,650,584
<b>Debt Service</b>							
<b>Funds Avail for Debt Service</b>		<b>3,115,508</b>	<b>3,122,816</b>	<b>3,035,927</b>	<b>3,036,421</b>	<b>3,035,070</b>	<b>3,031,769</b>
Existing Debt 1	\$ 1,306,075.00	1,305,216	1,303,090	1,300,000	1,300,000	1,300,000	1,300,000
Existing Debt 2							
Other Proposed Debt							
<b>Total Debt Service</b>		<b>1,305,216</b>	<b>1,303,090</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>1,300,000</b>
<b>Other Activities</b>							
Cash Avail After Debt Service		1,810,292	1,819,726	1,735,927	1,736,421	1,735,070	1,731,769
Transfer to CIP	\$ 941,000.00	1,841,000	3,000,000	1,800,000	1,800,000	1,700,000	
System Replacement Reserves							
Other Non-Operating Activity							
<b>Net Other Activity</b>							
Net Transfers IN (OUT)							
Adjustments							
Net Transfers & Adjustments							
<b>Ending Fund Balance</b>	\$ 2,840,511.50	2,809,804	1,629,529	1,565,457	1,501,877	1,536,947	3,073,769

# Preliminary Project Scheduling

Project No	Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Beginning Fund Balance	\$ 879,803	\$ 120,803.00	\$ 859,803.00	\$ 206,803.00	\$ 293,803.00
	Transfers-In	\$ 1,841,000	\$ 3,000,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,700,000.00
	Available Resources	\$ 2,720,803	\$ 3,120,803.00	\$ 2,659,803.00	\$ 2,006,803.00	\$ 1,993,803.00
	Gladys & Main	2100000				
W 9.0	Well #6 Chlorination Structure	\$ 200,000	\$ 927,000			
W 10.0	Well #4 Control System	\$ 300,000	\$ 200,000			
W 22.0	Chlorination Scales			\$ 15,000		
W 24.0	Well #6 Reservoir Exterior Paint			\$ 115,000		
W 17.0	W Orchard Line Replace		\$ 1,134,000			
W19.0	E Highland Water Line Replace			\$ 1,280,000		
W 21.0	View Drive Booster Upgrades			\$ 893,000		
W 28.0	Highland Booster/PZ Reconfig				\$ 1,213,000	
W 18.0	Residential Meter Replace			\$ 150,000	\$ 150,000	\$ 150,000
W 31.0	Moore Booster Equip Replace				\$ 350,000	
W 32.0	W Highland/S 1st AC Main Replace					\$ 1,500,000
	Expense Total	\$ (2,600,000)	\$ (2,261,000)	\$ (2,453,000)	\$ (1,713,000)	\$ (1,650,000)
	Ending Balance	\$ 120,803	\$ 859,803	\$ 206,803	\$ 293,803	\$ 343,803





# CIP Process

- Reviewed by Public Infrastructure Committee
- Council Approval
- Informs Next Year's Budget





# Questions?

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# PIC Detail

*Where Life is Sweet™*

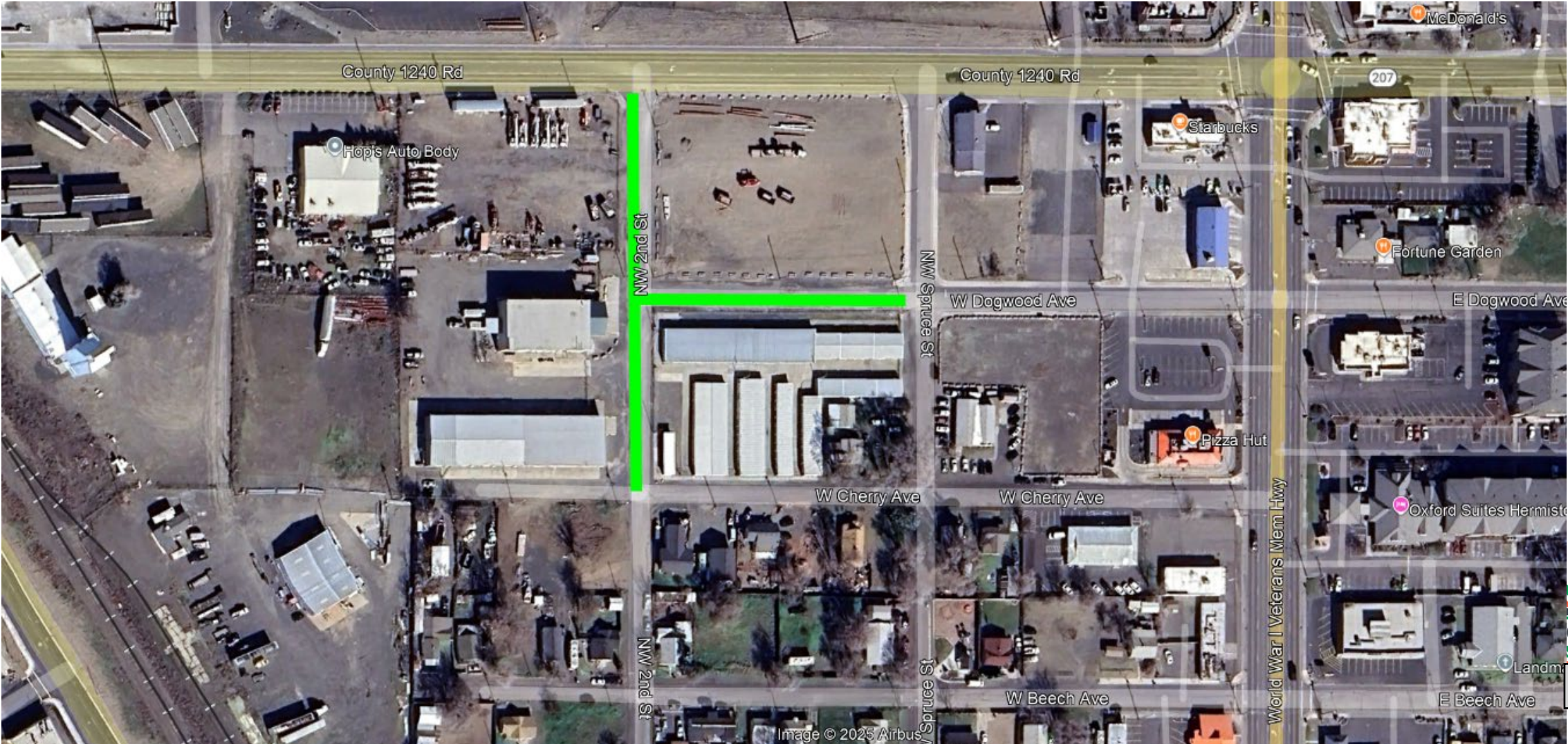
# Geer & Harper Realignment



# N 1<sup>st</sup> Sidewalk Completion



# NW 2<sup>d</sup> & Dogwood Paving



# W. Theater Lane Widening



# Hurlburt & 2<sup>nd</sup> Parking Lot



# SE 10<sup>th</sup> Bridge/Culvert Replace



# Sidewalk Infill



# Well #6 Chlorination Structure



# Well #4 Control System



# W. Orchard Line Replace<sup>th</sup>(7 1<sup>th</sup>)



# Well #6 Tank Paint & Chlorination Scales



# E Highland Line Replace<sup>st</sup> (to 9<sup>th</sup>)



# View Drive Booster Pump



# Highland Booster Pump



# Residential Meter Replacement



# Moore Booster Station



# South 1<sup>st</sup> Main Replace



# Lift #5 Wetwell



# E Evelyn Line Replace



# Lift Station #7 Reconstruction



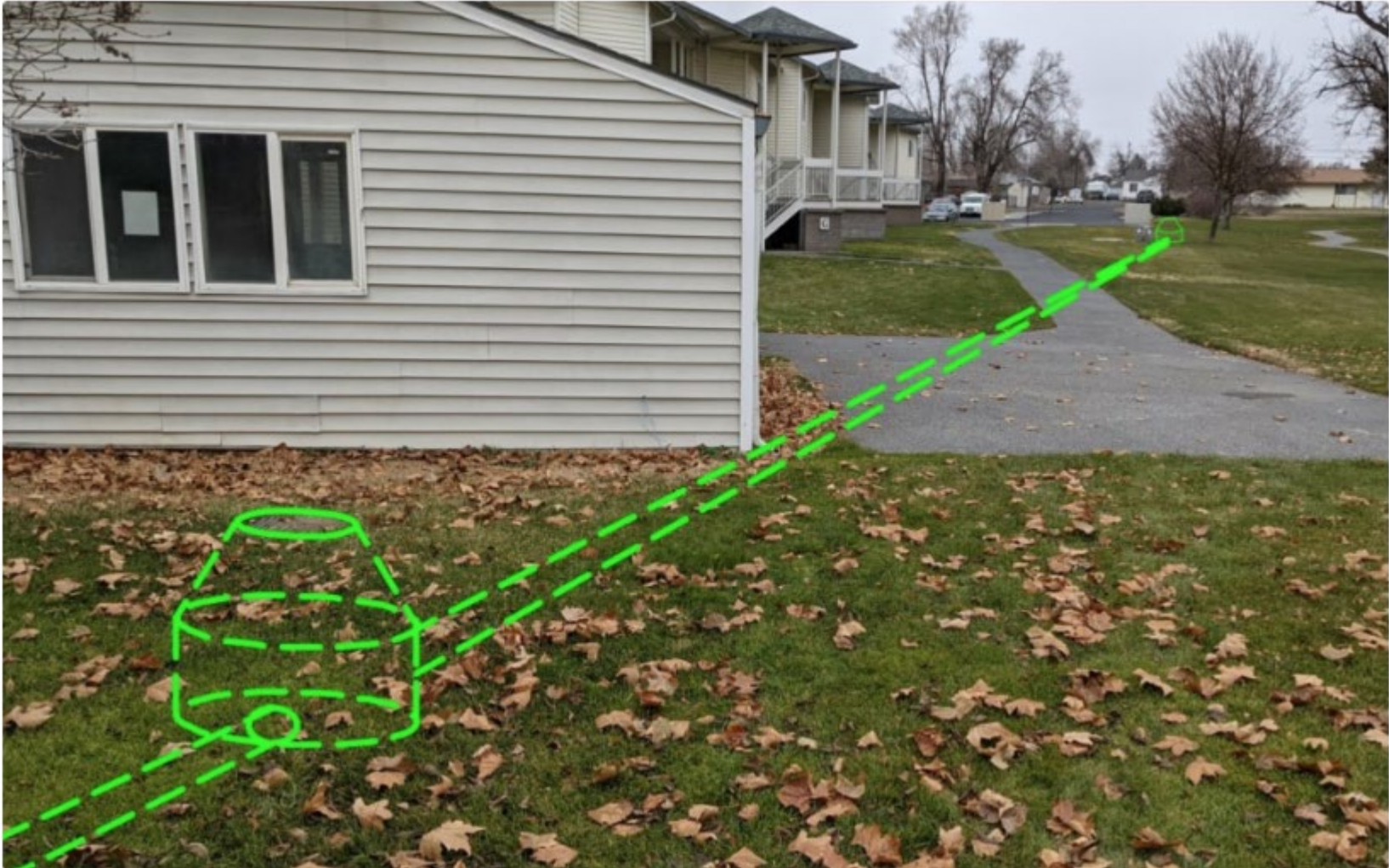
# RWTP Pump/Motors & Membranes



# RWTP Chlorine → UV Treatment



# Victory Square Park Line Replace



# Lift #1 Electrical Upgrades



Project No	Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Beginning Fund Balance	\$ 1,243,000	\$ 3,293,000	\$ 953,000	\$ 223,000	\$ (157,000)
	Transfers-In (Franchise Fees)	\$ 75,000	\$ 200,000	\$ 300,000	\$ 400,000	\$ 500,000
	Transportation SDC's	\$ 225,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
	Grant Funds (HB2017 Remaining)	\$ 2,000,000				
	Available Resources	\$ 3,543,000	\$ 3,543,000	\$ 1,303,000	\$ 673,000	\$ 393,000

Project No	Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
ST 4.0	NW Geer & Harper Realignment	\$ 150,000	\$ 1,410,000			
ST 5.0	W. Theater Lane Widening			\$ 600,000		
ST 21.0	Arterial/Collector Sidewalk Infill		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
ST 26.0	Hurlburt & 2nd Parking Lot Reconstruct			\$ 300,000		
ST 6.0	N 1st Sidewalk Completion	\$ 100,000	\$ 1,000,000			
ST 12.0	SE 10th Street Bridge Replace				\$ 800,000	
ST 13+	NW 2nd & Dogwood Paving		\$ 150,000	\$ 150,000		
	Expense Total	\$ 250,000	\$ 2,590,000	\$ 1,080,000	\$ 830,000	\$ 30,000
	Ending Balance	\$ 3,293,000	\$ 953,000	\$ 223,000	\$ (157,000)	\$ 363,000

Project No	Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Beginning Fund Balance	\$ 879,803	\$ 120,803.00	\$ 740,803.00	\$ (19,197.00)	\$ (9,197.00)
	Transfers-In	\$ 1,841,000	\$ 3,000,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,700,000.00
	Available Resources	\$ 2,720,803	\$ 3,120,803.00	\$ 2,540,803.00	\$ 1,780,803.00	\$ 1,690,803.00

	Gladys & Main	2100000				
W 9.0	Well #6 Chlorination Structure	\$ 200,000	\$ 840,000			
W 10.0	Well #4 Control System	\$ 300,000	\$ 200,000			
W 22.0	Chlorination Scales			\$ 15,000		
W 24.0	Well #6 Reservoir Exterior Paint			\$ 115,000		
W 17.0	W Orchard Line Replace		\$ 1,340,000			
W19.0	E Highland Water Line Replace			\$ 1,410,000		
W 21.0	View Drive Booster Upgrades			\$ 1,020,000		
W 28.0	Highland Booster/PZ Reconfig				\$ 1,290,000	
W 18.0	Residential Meter Replace				\$ 50,000	\$ 150,000
W 31.0	Moore Booster Equip Replace				\$ 450,000	
W 32.0	W Highland/S 1st AC Main Replace					\$ 2,000,000
	Expense Total	\$ (2,600,000)	\$ (2,380,000)	\$ (2,560,000)	\$ (1,790,000)	\$ (2,150,000)
	Ending Balance	\$ 120,803	\$ 740,803	\$ (19,197)	\$ (9,197)	\$ (459,197)

Project No	Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Beginning Fund Balance	\$ 1,083,000	\$ 1,553,600	\$ 458,600	\$ (141,400)	\$ (161,400)
	Transfers-In	\$ 1,405,600	\$ 400,000	\$ 600,000	\$ 700,000	\$ 600,000
	Available Resources	\$ 2,488,600	\$ 1,953,600	\$ 1,058,600	\$ 558,600	\$ 438,600

Project No	Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
S 9.0	Lift #5 Wetwell Upgrades	\$ 150,000				
S 10.0	E. Evelyn Gravity Line Replace	\$ 380,000	\$ 145,000			
S 16.0	Lift #7 Reconstruct		\$ 950,000			
S 24.0	Victory Square Park Gline Replace				\$ 370,000	
S 25.0	RWTP UV Improvements			\$ 1,200,000		
S 22.0	RWTP Membrane Cassette Replace		\$ 200,000		\$ 200,000	\$ 200,000
S 23.0	RWTP Pump/Motor Replace		\$ 200,000		\$ 150,000	\$ 200,000
S 26.0	Lift #1 Electrical Upgrades					200000
	TV Van	\$ 330,000				
	Blowers/Clarifiers	\$ 75,000				
	Expense Total	\$ 935,000	\$ 1,495,000	\$ 1,200,000	\$ 720,000	\$ 600,000
	Ending Balance	\$ 1,553,600	\$ 458,600	\$ (141,400)	\$ (161,400)	\$ (161,400)

Schedule Pro Forma Revenues and Expenditures		Water Department					
PRO FORMA		Current FY	Projected				
Year (ending June 30th)	24	25	26	27	28	29	30
Beginning Fund Balance	\$ 1,206,948.50	2,840,512	2,809,804	1,629,529	1,565,457	1,501,877	1,536,947
<b>Operating Revenues</b>							
Primary Revenue Source	\$ 5,879,617.00	5,600,000	5,712,000	5,826,240	5,942,765	6,061,620	6,182,852
Other Revenue Source 1	\$ 377,500.00	377,500	377,500	377,500	377,500	377,500	377,500
Other Revenue Source 2	\$ 189,460.00	122,000	122,000	122,000	122,000	122,000	122,000
<b>Total Operating Revenues</b>	\$ 6,446,577.00	6,099,500	6,211,500	6,325,740	6,442,265	6,561,120	6,682,352
<b>O M &amp; R Expenses</b>							
Personal Services	\$ 993,899.00	1,116,227	1,160,876	1,300,000	1,352,000	1,406,080	1,462,323
Materials & Services	\$ 1,204,920.00	1,466,765	1,510,768	1,556,091	1,602,774	1,650,857	1,700,383
Other Operating Expenses	\$ 362,100.00	401,000	417,040	433,722	451,070	469,113	487,878
<b>Total Operating Expenses</b>	\$ 2,560,919.00	2,983,992	3,088,684	3,289,813	3,405,844	3,526,050	3,650,584
<b>Debt Service</b>							
<b>Funds Avail for Debt Service</b>		3,115,508	3,122,816	3,035,927	3,036,421	3,035,070	3,031,769
Existing Debt 1	\$ 1,306,075.00	1,305,216	1,303,090	1,300,000	1,300,000	1,300,000	1,300,000
Existing Debt 2							
Other Proposed Debt							
<b>Total Debt Service</b>		1,305,216	1,303,090	1,300,000	1,300,000	1,300,000	1,300,000
<b>Other Activities</b>							
<b>Cash Avail After Debt Service</b>		1,810,292	1,819,726	1,735,927	1,736,421	1,735,070	1,731,769
Transfer to CIP	\$ 941,000.00	1,841,000	3,000,000	1,800,000	1,800,000	1,700,000	
Capital Outlay	\$ 946,020.00						
System Replacement Reserves							
Other Non-Operating Activity							
<b>Net Other Activity</b>							
Net Transfers IN (OUT)							
Adjustments							
Net Transfers & Adjustments							
<b>Ending Fund Balance</b>	\$ 2,840,511.50	2,809,804	1,629,529	1,565,457	1,501,877	1,536,947	3,268,716

Min Reserve \$ 1,160,098.20

Schedule Pro Forma Revenues and Expenditures			Sewer Department					
PRO FORMA		24	Current FY		Projected			
1	Year (ending June 30th)		25	26	27	28	29	30
2	Beginning Fund Balance	\$ 1,206,948.50	1,288,257	1,260,576	1,514,147	1,530,860	1,458,220	1,443,676
<b>Operating Revenues</b>								
3	Primary Revenue Source	\$ 5,851,405.00	5,937,000	6,055,740	6,176,855	6,300,392	6,426,400	6,554,928
4	Other Revenue Source 1							
5	Other Revenue Source 2	\$ 42,947.00	740,546	50,000	50,000	50,000	50,000	50,000
	<b>Total Operating Revenues</b>	\$ 5,894,352.00	6,677,546	6,105,740	6,226,855	6,350,392	6,476,400	6,604,928
<b>O M &amp; R Expenses</b>								
6	Personal Services	\$ 1,392,678.00	1,691,537	1,759,198	1,829,566	1,902,749	1,978,859	2,058,013
7	Materials & Services	\$ 2,142,703.00	2,236,340	2,303,430	2,372,533	2,393,000	2,464,790	2,538,734
8	Other Operating Expenses	\$ 404,400.00	444,750	462,540	481,042	500,283	520,295	541,106
	<b>Total Operating Expenses</b>	\$ 3,939,781.00	4,372,627	4,525,169	4,683,141	4,796,032	4,963,944	5,137,853
<b>Debt Service</b>								
	<b>Funds Avail for Debt Service</b>		2,304,919	1,580,571	1,543,714	1,554,360	1,512,456	1,467,074
9	Existing Debt 1	\$ 927,243.00	927,000	927,000	927,000	927,000	927,000	927,000
10	Existing Debt 2							
11	Other Proposed Debt							
	<b>Total Debt Service</b>		927,000	927,000	927,000	927,000	927,000	927,000
<b>Other Activities</b>								
	<b>Cash Avail After Debt Service</b>		1,377,919	653,571	616,714	627,360	585,456	540,074
12	Transfer to CIP	\$ 850,536.00	1,405,600	400,000	600,000	700,000	600,000	
13	Capital Outlay	\$ 946,020.00						
14	System Replacement Reserves							
15	Other Non-Operating Activity							
	<b>Net Other Activity</b>							
16	Net Transfers IN (OUT)							
17	Adjustments							
	Net Transfers & Adjustments							
	<b>Ending Fund Balance</b>	\$ 1,288,256.50	1,260,576	1,514,147	1,530,860	1,458,220	1,443,676	1,983,750

Min. Res \$ 1,460,107.20



# CITY COUNCIL

## Regular Meeting Minutes

January 30, 2025

Mayor Primmer called the regular meeting to order at 7:00pm. Present were Councilors Hayward, Roberts, Linton, McCarthy, Myers, Kelso, and Barron. Councilor Duron was 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, Parks and Recreation Director Brandon Artz, Planning Director Clint Spencer, Court Administrator Jillian Viles, Library Director Mark Rose, and City Recorder Lilly Alarcon-Strong. Also present was Student Advisor Jeannine Heredia and Rebecca Godoy. The pledge of allegiance was given.

### **Citizen Input on Non-Agenda Items**

Michael Gibson, 497 E Highland Ave- Asked that the Council consider implementing a crossing guard, installing streetlights, or doing something else that can help the dangerous intersection by the High School, stating a student was recently hit by a vehicle in this intersection and sustained serious injuries as drivers aren't paying attention and there is a lot of high school student walking traffic.

Mayor Primmer stated this area has been a discussion item for the City for many years; a traffic signal may not be a reasonable option for this area and the School District would be in charge of implementing crossing guards, however, the City will continue to work on this issue.

### **Consent Agenda Items**

Councilor Hayward moved and Councilor Myers seconded to approve Consent Agenda item A-H, to include:

- A. Committee Vacancy Announcements
- B. Budget Committee Recommendation Re-Appointments for 3-year terms ending December 31, 2027: Position 7, Brian Misner; Position 8, David Hansen; and Position 9, John Douglass.
- C. Budget Committee Recommendation Appointment for remaining 3-year term ending December 31, 2025: Position 3, Rod Hardin.
- D. Faith-Based Advisory Committee Recommendation Appointment for 3-year term ending December 31, 2027: Position 3, Rafael Vargas. 1
- E. Faith-Based Advisory Committee Recommendation Re-Appointment for 3-year term ending December 31, 2027: Position 4, Chris Hankel.
- F. Library Board Recommendation Appointment for the remaining 4-year term ending June 30, 2026: Position 4, Linda Tibbals.
- G. North 1st Place ODOT IGA Amendment
- H. Minutes of the January 13th, 2025 City Council Regular Meeting and Urban Renewal Agency Meeting

Motion carried unanimously.

### **Public Hearing- Supplemental Budget for the Fiscal Year July 1, 2024 to June 30, 2025 (Res No. 2354)**

After hearing no declarations of conflict of interest from the Council, City Manager read the hearing guidelines and Mayor Primmer opened the hearing at 7:06pm.

City Manager Smith gave detailed information and answered various questions from the Council regarding the proposed supplemental budget as outlined in the agenda packet.



# CITY COUNCIL

## Regular Meeting Minutes January 30, 2025

There were no persons who wished to give public comment and Mayor Primmer closed the hearing at 7:16pm stating this item would be presented again during Resolution No. 2354 for final action.

### **Resolution No. 2354- Adopting a FY 2024-25 Supplemental Budget**

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

Councilor McCarthy moved and Councilor Barron seconded to approve Resolution No. 2354 and lay upon the record. Motion carried unanimously.

**Resolution No. 2353- Master Fee Schedule Update to Include Water and Sewer Rates and Various Billing Fees-** Assistant City Manager Morgan presented information (PowerPoint Presentation attached) regarding the various rate adjustments as outlined in the agenda packet.

After further discussion and answering questions from the Council from Assistant City Manager Mark Morgan and Finance Director Ignacio Palacios, Councilor Roberts moved and Councilor McCarthy seconded to adopt Resolution No. 2353 and lay upon the record. Motion carried unanimously.

### **Water/Sewer/Street 5-Year Capital Improvement Plan (CIP) Update**

Assistant City Manager Morgan presented information (PowerPoint Presentation attached) regarding proposed updates for the CIP as outlined in the agenda packet.

After further discussion and answering questions from the Council, Councilor Linton moved and Councilor Myers seconded to approve the CIP as presented. Motion carried unanimously.

### **Umatilla County Special Library District (UCSLD) Contract Renewal**

City Manager Smith presented the UCSLD Agreement as attached in the agenda packet, specifically focusing on the formula determining the financial distribution of each library in the district. Mr. Smith spoke regarding his efforts to work with the new District Library Director, Heather Estrada, and their Board to develop a new formula or use the same formula they have applied to all other residents of the district, excluding the City of Hermiston, so the City could receive \$253,118 instead of \$132,211. Although communication has improved between the City and new District Library Director, we were unable to come to an agreement regarding making changes to the existing formula.

UCSLD Director Heather Estrada answered questions from the Council regarding the formula; tax rate; Board and staffing; services provide to libraries in the district, including: staff training, early literacy outreach, and Sage and other programing. Ms. Estrada spoke regarding the Boards priority to make sure each town in the District has a Library their residents can use. Unlike Hermiston, some of these towns, like Ukiah, didn't even have a library building; and like many rural towns, many residents, like students, aren't able to travel to other cities to use their library, yet you will see each day there are about 40 students in the Ukiah library after school. This is one of the reasons the City of Hermiston receives less funding.

The Council thanked Ms. Estrada for her explanation and some of the councilors stated they understood the reasoning behind the formula better. Councilor Barron moved and Councilor Linton seconded to



# CITY COUNCIL

## Regular Meeting Minutes January 30, 2025

authorize the City Manager to sign the agreement for the Library Services as presented. Motion carried unanimously.

### **December 2024 Monthly Financial Report**

Councilor Roberts moved and Councilor Myers seconded to accept the December Financial Report as presented by Finance Director Palacios, Assistant City Manager Morgan, and City Manager Smith. Motion carried unanimously.

### **Committee Reports**

Library Board- Councilor Roberts gave construction and design updates and spoke regarding book circulation numbers and hiring staff to replace those who have retired.

Hispanic Advisory Committee- Councilor Kelso stated he learned a lot from attending this meeting, the Committee members heard a presentation from Court Administrator Jillian Viles and held their Annual Goal Setting Session.

Citizen Accountability Board- Councilor Linton and Councilor Hayward stated they recently met and although they can't completely discuss the circumstances, they can say that the Board, with the help of amazing officers who truly care about youth, are helping direct youth in the right direction.

Public Infrastructure Committee- Mayor Drotzmann stated the Committee met and were presented with the information the Council heard earlier in the meeting.

### **Mayor's Report**

Mayor Primmer spoke regarding:

- Last week's Goal Setting Session,
- Attending the City Day at the Capitol, stating there was great conversations and connections had,
- Encouraged Council members to attend other cities City Council meetings to gather ideas and information about what's important in other communities and share this knowledge back as there may be issues we can collaborate with each other on

### **Council President's Report**

Council President McCarthy spoke regarding:

- Echoed Mayor Primmer's encouragement regarding attending other cities City Council Meetings,
- Encouraged the Community to watch the High School Performance of Charlie and the Chocolate Factory on February 7<sup>th</sup> at 7pm

### **Council Reports**

Councilor Linton thanked the Police Department for their extra patrols around her neighborhood, Code Enforcement Official Daniel Taylor for information supplied regarding various code enforcement questions she had, and City Manager Smith for driving a car full of Councilors to and from City Day at the Capitol.

Councilor Barron spoke regarding his attendance at the MLK Event stating it was a great event and appreciates the City's participation in it and gave praise to the Hermiston School District for allowing him to attend the Goal Setting Session as they were great sessions.



# CITY COUNCIL

## Regular Meeting Minutes January 30, 2025

Councilor Hayward invited all to attend the 6<sup>th</sup> Annual Campus Life Fundraiser called The Gathering on Friday, February 21<sup>st</sup> at the Community Center. There will be live music, silent and live auction, raffle items and catered dinner. To purchase tickets and learn more about the event, please visit: <https://campuslife.regfox.com/2025the-gathering> or call 541-969-1017.

Councilor Roberts spoke regarding attending the Day at the Capitol event and how exciting it was to hear and learn about all the proposed legislation.

Councilor Kelso stated he recently participated in a police ride-a-long and was impressed with the detailed knowledge, empathy, and professionalism displayed by Corporal Flatau, and Officers Zumwalt, Ramirez, and Nuckolls; attended the Umatilla County Fair Board Appreciation dinner and emphasized the incredible support this organization and the community give to our youth; encouraged the community to attend the Hermiston Education Foundation Crab and Beef Dinner Fundraiser on February 1<sup>st</sup> stating all proceeds will go towards classroom needs; and spoke about the Hermiston Amateur Radio Club who continues to progress and demonstrate effectiveness in emergency communications.

### **Youth Advisory Report**

Jeannine Heredia spoke regarding the youth advisory students attending the Day at the Capitol in Salem with members of the City Council on January 28<sup>th</sup> and how much they learned from other communities that also have a Youth Advisory Committee.

Mayor Primmer thanked the Youth Advisors for attending and bringing their great energy to the event.

### **City Manager's Report**

City Manager Smith spoke regarding:

- His conversation with Mr. Davis on how to bring the Youth Advisory Students to the next level
- Sharing the LOC's Legislative Weekly Webinar information with the Council

### **Adjourn City Council Meeting**

There was no other business and Mayor Primmer adjourned the regular City Council meeting at 9:02pm.

SIGNED:

\_\_\_\_\_  
Doug Primmer, Mayor


ATTEST:

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




# Master Fee Update

January 30, 2025

## Updates Overview

- Water & Sewer Rates
- Special Water/Sewer Charges
- Utility Billing Fees



## Water & Sewer Rates

- Annual Adjustments for Inflation: 2018 →
- Engineering News-Record: Construction Cost Index (CCI)
- 2022: 3-Year Rolling Average (Smooth Inflation)
- Proposed: 3.0%



## ENR CCI

	1-Year	3-Year Average
2024	0.9%	3.0%
2023	2.6%	5.2%
2022	5.6%	5.0%
2021	7.4%	3.8%
2020	2.2%	2.3%
2019	1.7%	
2018	2.9%	



## Median Residential Customer

- Combined Water & Sewer
- Water Usage Ramps Up Over Summer
- Half of customers use more; Half use less
- Averaged over 12 months: \$3.44/mo.
- "Equal Pay" or "Average Pay" Option



## "Special" Water/Sewer Charges

- Industrial User Rate: 5.69%
- Vactor Truck: Inflation since 2020
- Septic & Portable Toilet Disposal: Inflation since 2020
- Hydrant Meter: Inflation since 2020



## Utility Billing Fees

- Disconnect/Reconnect: \$20 → \$75
- Meter Tampering: \$25 → \$100
- Meter Inspection: \$15 → \$0



## Fiscal Impact

- Water/Sewer Use Rates: \$300,000/yr
- Industrial User Rates: \$5,000/yr
- Special Fees: De Minimis
- Billing Fees: De Minimis





Questions?

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## CIP Background

- 2017: Borrowed \$1.1M to Dredge Sewer Lagoon
- Pre-2019: Reactive by necessity (fix as it breaks)
- 2019: Water & Sewer Rate Restructuring
- 2019: First 5 Year Rolling CIP Adopted



## Progress Since 2018 Water

- 2.5 Miles Main Replaced
- 1,200 GPM Supply Expansion
- Master Plan Updated
- Total Spend: \$4,518,793
  - User rates
  - System Development Charges



## Water Examples



## Water Examples



## Progress Since 2018 Sewer

- 0.75 Miles Main Replaced
- 3 Lift Stations Re-Built
- Master Plan Updated
- Total Spend: \$3,831,619
  - User rates
  - System Development Charges



## Sewer Examples



## Sewer Examples





## Progress Since 2018 Street

- 3 Miles Surface Repairs/Rebuilds/Infills
- 1 Mile Sidewalk Infill
- 1 Bridge Replaced

Total Spend: \$5,033,509

- State: \$3M
- Local: \$2M



## Street Examples

### N.W. 3rd Street Paving

Paving Complete on NW 3rd Street



## Street Examples



## Street Examples



## HERMISTON Progress Since 2014 Equipment



## HERMISTON Progress Since 2018

• Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)

• Water Main: 83 Miles Existing

- 2.5 Miles = 3%
- 0.5% per year
- 200-Year Replacement Cycle



## HERMISTON Progress Since 2018

• Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)

• Sewer Main: 80 Miles Existing

- 0.75 Miles = 0.94%
- 0.16% per year
- 625-Year Replacement Cycle



## HERMISTON Progress Since 2018

• Total Spend: \$15,161,762 [www.hermistonprojects.com](http://www.hermistonprojects.com)

• Streets: 77 Miles Existing (Centerline)

- 3 Miles = 3.9%
- 0.65% per year
- 153-Year Replacement Cycle



## CIP Project Scoping

- Water Needs
  - Main Replace, etc.
  - Well Rehab, etc.
- Sewer Needs
  - Main Replace, etc.
  - Pump Rehab, etc.
- Street Needs
  - Street Rehab, etc.
  - Sidewalk Need, etc.

Refine /  
Scope



## CIP Resource Identification

- Water
  - User Revenue
  - Operations/Debt
- Sewer
  - User Revenue
  - Operations/Debt
- Street
  - Revenue
  - Operations/Debt

Hermiston Pro Forma Revenue and Expenditures		Water Department				
PRO FORMA		Current FY		Projected		
		25	26	27	28	29
Year ending June 30th						
Revenue Fund Balance	\$	1,206,945.50	1,206,945.50	1,206,945.50	1,206,945.50	1,206,945.50
Operating Revenues						
Primary Revenue Source	\$	1,079,811.00	1,079,811.00	1,079,811.00	1,079,811.00	1,079,811.00
Other Revenue Source 1	\$	177,500.00	177,500.00	177,500.00	177,500.00	177,500.00
Other Revenue Source 2	\$	159,400.00	159,400.00	159,400.00	159,400.00	159,400.00
Total Operating Revenues	\$	6,446,517.00	6,446,517.00	6,446,517.00	6,446,517.00	6,446,517.00
Operating Expenses						
Personnel Services	\$	991,899.00	1,118,277.00	1,118,277.00	1,118,277.00	1,118,277.00
Materials & Services	\$	1,204,823.00	1,466,782.00	1,466,782.00	1,466,782.00	1,466,782.00
Other Operating Expenses	\$	382,100.00	401,000.00	401,000.00	401,000.00	401,000.00
Total Operating Expenses	\$	2,568,822.00	3,086,059.00	3,086,059.00	3,086,059.00	3,086,059.00
Debt Service						
Funds Avail for Debt Service	\$	1,308,877.00	1,308,877.00	1,308,877.00	1,308,877.00	1,308,877.00
Debt Service 1	\$	1,308,877.00	1,308,877.00	1,308,877.00	1,308,877.00	1,308,877.00
Debt Service 2	\$	1,308,877.00	1,308,877.00	1,308,877.00	1,308,877.00	1,308,877.00
Total Debt Service	\$	2,617,754.00	2,617,754.00	2,617,754.00	2,617,754.00	2,617,754.00
Other Available	\$	1,519,890.00	1,519,890.00	1,519,890.00	1,519,890.00	1,519,890.00
Total Available	\$	3,038,767.00	3,038,767.00	3,038,767.00	3,038,767.00	3,038,767.00
Transfer to CIP	\$	941,000.00	1,941,000.00	1,941,000.00	1,941,000.00	1,941,000.00
Transfer from CIP	\$	1,941,000.00	1,941,000.00	1,941,000.00	1,941,000.00	1,941,000.00
Net Transfer to CIP	\$	0.00	0.00	0.00	0.00	0.00
Net Transfer to CIP (Adjusted)	\$	0.00	0.00	0.00	0.00	0.00
Ending Fund Balance	\$	1,206,945.50	1,206,945.50	1,206,945.50	1,206,945.50	1,206,945.50

## Preliminary Project Scheduling

Project No	Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Beginning Fund Balance	\$ 879,803	\$ 120,803.00	\$ 859,803.00	\$ 206,803.00	\$ 293,803.00
	Transfers-In	\$ 1,841,000	\$ 3,000,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,700,000.00
	Available Resources	\$ 2,720,803	\$ 3,120,803.00	\$ 2,659,803.00	\$ 2,006,803.00	\$ 1,993,803.00

	Gladys & Main	2100000				
W 9.0	Well #6 Chlorination Structure	\$ 200,000	\$ 927,000			
W 10.0	Well #4 Control System	\$ 300,000	\$ 200,000			
W 22.0	Chlorination Scales			\$ 15,000		
W 24.0	Well #6 Reservoir Exterior Paint			\$ 115,000		
W 17.0	W Orchard Line Replace		\$ 1,134,000			
W19.0	E Highland Water Line Replace			\$ 1,280,000		
W 21.0	View Drive Booster Upgrades			\$ 893,000		
W 28.0	Highland Booster/P2 Reconfig				\$ 1,213,000	
W 18.0	Residential Meter Replace			\$ 150,000	\$ 150,000	\$ 150,000
W 31.0	Moore Booster Equip Replace			\$ 350,000		
W 32.0	W Highland/S 1st AC Main Replace					\$ 1,500,000
	Expense Total	\$ (2,600,000)	\$ (2,261,000)	\$ (2,453,000)	\$ (1,713,000)	\$ (1,650,000)

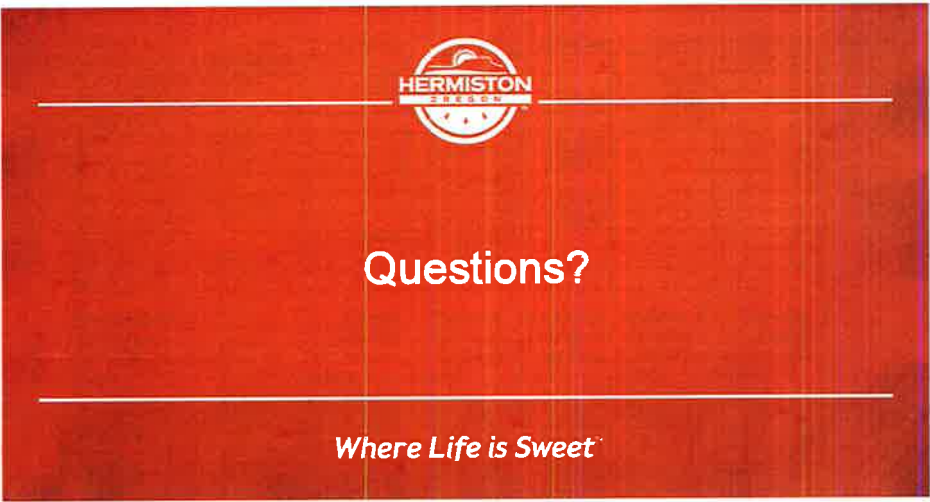
Ending Balance	\$ 120,803	\$ 859,803	\$ 206,803	\$ 293,803	\$ 343,803
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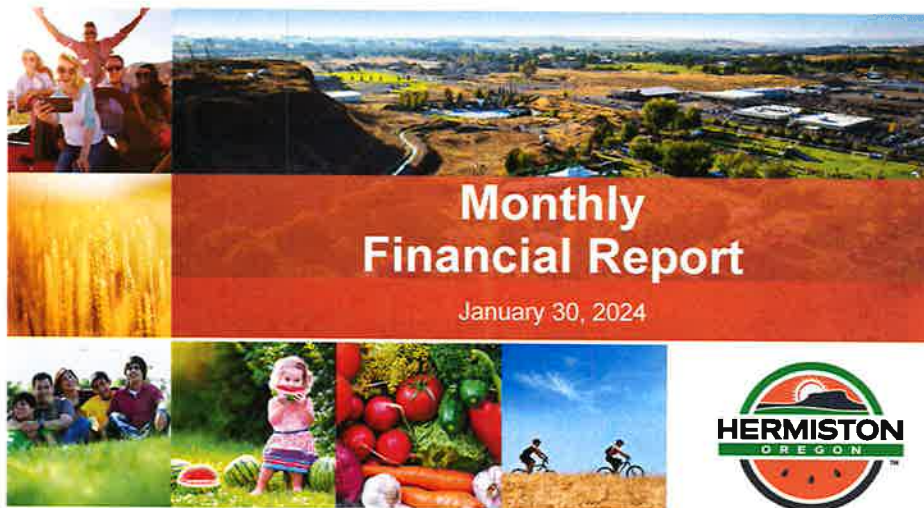


## CIP Process

- Reviewed by Public Infrastructure Committee
- Council Approval
- Informs Next Year's Budget







## Hermiston Urban Renewal Agency (HURA)

- Property Taxes are being received (~114%)
- North Hermiston Urban Renewal Area – Project on schedule and crossing design for Hermiston Drain underway



## General Fund

- Sixth month of 24-2025 fiscal year
- Monthly Revenues are under projections by ~\$127k
  - **One-time receipts not yet received**
  - **Received 98% of budgeted property taxes**
    - Consistent with past three fiscal years at 95%, 97% and 94% (95% average), respectively



## General Fund

- Monthly Expenses over projections by ~\$851k
  - **Primarily due to HPD leases and upfitting not yet incurred**
  - **Five departments are over budget when compared to Projected**
    - **City Council, Transportation, Parks, Public Safety Center and Court**
    - **City Council 3.9% over budget due to annual training**
    - **Parks 5.8% over budget due to seasonal activity and equipment repair**



## Utility and Street Funds

- Observations:
  - **Street fund revenues under projections due to timing of STP proceeds**
  - **Utility fund ~\$1.36 million over projected revenues**
    - Increase services (~100) and usage when compared to same period for FY 2022, 2023 and 2024
    - Annual CPI adjustment
    - Other charges (Septic Tank Service)
    - When compared to budget ~3.8% over expectation



## Utility and Street Funds, cont'd

- Observations:
  - **HES ~\$120k over projected expenditures**
    - When compared to budget meeting expectation at 41%
  - **Regional Water fund ~\$128k under projected revenue**
    - Revenues meeting budgeted expectations at 50%



## Capital Projects

- A number of projects in design
  - **Geer/Harper Realignment- submitted to UP**
  - **Well #6 Chlorination – Project is complete**
  - **Well #4 Controls – Late winter bid advertisement**
- Gladys/Main/Newport – Nearing Completion



## Capital Projects

- Hangar Replacement – Hangar Plans submitted for Permit review
- Library – Demolition Mostly Completed; Framing started
- Harkenrider – Punch List Items
- T Build-out – Completed



## Capital Projects

- EOTEC Barns - Completed
- The Arc – Concrete Completed
- Public Safety Center
  - Phase I – Completion Near
  - Phase II – Starting mid-December



Discussion

Questions?

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Mayor and Members of the City Council  
**STAFF REPORT**  
 For the Meeting of February 10, 2025

**Title/Subject**

Upcoming Governance-related Items Discussion

**Summary and Background**

Two items that will be included in the upcoming final report of the City's 2025 goal setting process are what I am calling governance related. Those are

- Conduct a 10-year charter review
- Re-examine Council Committees, Boards + Advisory group Structure

Since it will take a little time get those processes started, I wanted to have some preliminary discussions to guide staff efforts in preparing for these items.

**10-Year Charter Review**

- Plan for a November 2025 election (if needed)
- Process
  - Council Review in Publicized Work Sessions
  - At least two public open house/town hall meetings
  - Publicity campaign using all possible tools

**Re-examine Council Committees, Boards + Advisory group structure**

- Invite 3 to 4 council committee/board chairs come to council work sessions starting in March
- Once completed discuss in work session-combine/eliminate/add
- Make any necessary changes to ordinances, etc.

**Tie-In to Council Goals**

4.3 and 4.4 of future 2025 Goal Setting Report

**Fiscal Information**

Could be some cost under the charter review for possible consultants.

**Alternatives and Recommendation**

Recommended Action/Motion

None just for discussion and feedback.

**Submitted By:**

Byron D. Smith



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
 For the Meeting of February 10, 2025

**Title/Subject**

Pickleball Complex Naming Agreement

**Summary and Background**

The Pickleball committee has been active in securing donations for the Pickleball Complex project. They have secured enough to start construction on the project. Part of those donations include naming rights for the facility or parts of the facility.

The City also recently adopted a naming rights policy. The proposed agreement works within the framework of that policy.

**Tie-In to Council Goals**

N/A

**Fiscal Information**

For a donation of \$100,000 the Good Shepherd Health Care System has purchased the naming rights for the Pickleball Complex. (Good Shepherd Health Care System Pickleball Complex)

**Recommendation**

**Recommended Action/Motion**

Approve naming rights agreement as presented.

**Submitted By:**

Byron D. Smith

## NAMING RIGHTS AGREEMENT

This agreement is made as of \_\_\_\_\_ ("Effective Date") by and between Good Shepherd Health Care System ("GSHCS") and the City of Hermiston, Oregon ("City"), an Oregon municipal corporation.

WHEREAS, City in partnership with the Hermiston Pickleball Group is constructing and will own the pickleball Complex ("Complex") and related facilities more particularly described below. The Complex is located at Theater Sports Park in Hermiston, Oregon, which is owned by the City.

WHEREAS, City has the authority to name park facilities pursuant to its Policy for Naming/Renaming City Facilities and Parks including Commercial Naming Rights.

WHEREAS, pursuant to the Naming Rights Policy, City has the authority to grant commercial naming rights, advertising rights and promotional rights with respect to the Complex, provided the naming, advertising and promotional rights are not inconsistent with the laws of United States, the State of Oregon, the Hermiston Charter, the Hermiston Municipal Code and the Naming Rights Policy.

WHEREAS, GSHCS donated a substantial amount to the construction of the Complex through the Hermiston Pickleball Group with the understanding that GSHCS have the right to name the Complex and the rights to conduct advertising and promotional activities in connection with the Complex as well as the other promotional rights and benefits described in this Agreement.

NOW, THEREFORE, the parties agree as follows:

### Section 1. Complex

- A. The Complex will be a state-of-the-art multi-purpose pickleball facility as generally depicted on the Site Plan, attached as Exhibit A, including the following elements:
  - Pickleball Courts.
  - Fencing.
  - Parking and outdoor landscaped areas.
- B. City shall continue to own, operate, and maintain the Complex.
- C. City acknowledges the importance of GSHCS connection with the Complex to GSHCS' public image and business reputation. City shall maintain its policy of non-discrimination, facility use regulations, and maintenance standards, which shall reflect favorably on GSHCS' public image, goodwill, and business reputation.
- D. GSHCS shall not bear responsibility for the maintenance or operation of the Complex.

## Section 2. Naming Rights Fee

- A. Fees. GSHCS shall donate \$100,000 for the completion of the Complex.
- B. Due Date. March 1, 2025.
- C. Payments. GSHCS to mail payment to:

Greater Hermiston Community Foundation  
975 Southeast 4th Street  
Hermiston, Oregon 97838

## Section 3. Grant of Rights

- A. Grant of Naming Rights. Pursuant to the Naming Rights Policy, City grants to GSHCS the exclusive right to name the Complex and to advertise and promote the Complex and the naming rights associated with the Complex. Pursuant to this grant, the parties agree to name the Complex: "Good Shepherd Health Care System Pickleball Complex." GSHCS acknowledges and agrees that the foregoing grant does not include the right to name any individual elements of the Complex.
- B. Complex Signage. GSHCS and the City will jointly approve signage at the court in conjunction with the Hermiston Pickleball Group. Approval by either party shall not be unreasonably withheld.
- C. Changes. GSHCS may propose a new Complex name upon notice to the City. Any new name shall be subject to City's prior written approval, which shall not be unreasonably withheld. GSHCS agrees to pay all costs and expenses incurred in implementing the changes.
- D. Grant of Sponsorship Rights. City grants GSHCS exclusive sponsorship right to be identified as a sponsor of the Complex and to advertise and promote the Complex and its sponsorship.

## Section 4. Exclusivity

- A. City shall not authorize or accept sponsorship or advertising in the Complex from other health care service providers.

## Section 5. Advertising and Merchandising

- A. Quality Control. All material designed to publicize, advertise, promote or otherwise refer to the Complex shall be of a high standard of quality at least comparable to other similar facilities and bear appropriate trademark and copyright notices.
- B. Promotional Merchandise. GSHCS and the City shall each have the royalty-free right to produce, sell, and distribute promotional merchandise related to the Complex and activities at the Complex, and each party may retain their respective proceeds from sale of those items.

- C. Defective or Problematic Use. If any promotional merchandise manufactured, distributed, or sold by a party is defective in material or workmanship or otherwise fails to conform with terms of this Agreement, the other party may require alteration or destruction of the goods, at the sole expense of the owner of such merchandise.

#### Section 6. Display of GSHCS Trademarks

- A. Use of Trademarks. City shall use GSHCS trademarks in accordance with GSHCS guidelines.
- B. Use of Complex Trademarks. City shall use the Complex name in all advertising and promotional materials and merchandise for the Complex.
- C. Preeminence of Naming Rights and Sponsorship. City shall ensure that no other health care service providers trademarks or signs shall be displayed in the Complex and all signage within the Complex shall adhere to the terms and conditions of this Agreement, including, without limitation, subsection (E) below.
- D. Naming of Specific Features. GSHCS acknowledges that, subject to Section 3, City may name specific portions of the Complex to recognize other contributors to the construction and implementation of the Complex project.
- E. Advertisements Within the Complex. GSHCS acknowledges that, subject to Section 3, the City may solicit fence banner advertisements for the Complex and may have various vending machines and concessions within the Complex to help offset Complex operational costs.

#### Section 7. Approval Rights

- A. GSHCS may review and approve in advance all advertising and promotional materials or merchandise that use GSHCS trademarks. Such approvals shall not be unreasonably withheld.
- B. City may review and approve in advance advertising and promotional materials, or merchandise produced by or on behalf of GSHCS bearing City trademarks and related to the Complex. Such approvals shall not be unreasonably withheld.

#### Section 8. Reports

GSHCS may request progress reports related to activities engaged in by the City with specific reference to obligations and duties under this Agreement.

#### Section 9. Term

GSHCS has exclusive rights for the life of the Complex.

## Section 10. Termination

- A. By GSHCS. GSHCS may terminate this Agreement:
- i. Upon notice to City of a material breach by City. Such termination shall be effective 30 days after the date of such notice (unless a greater period is specified in the notice) unless City cures the breach within such period. A material breach includes a default by City in performance or observance of any material term of this Agreement.
  - ii. The cure period shall not apply if the City, or any of its agents associated with the Complex become involved in or have at any time been involved in scandalous, criminal, or disreputable activity that is likely to damage, detract from, or reflect unfavorably on GSHCS's public image or business reputation.
- B. By City. City may terminate this Agreement upon notice to GSHCS if GSHCS fails to pay the Naming Rights Fee. Such termination shall be effective 30 days after the date of such notice (unless a greater period is specified in the notice) unless GSHCS cures the breach within such period. The City may also terminate this Agreement immediately, and without a cure period, upon notice to GSHCS if GSHCS, or any of its agents become involved in or have at any time been involved in scandalous, criminal, or disreputable activity that is likely to damage, detract from, or reflect unfavorably on City's public image.
- C. Consequence of Termination. On any termination, the City shall:
- i. Take action necessary to protect property in its possession in which GSHCS has an interest, including property bearing GSHCS trademarks.
  - ii. Take reasonable steps to protect GSHCS trademarks, including ceasing use of them within a reasonable period of time under the circumstances of termination.
  - iii. At GSHCS's request, take action necessary to announce and publicize discontinuation of GSHCS's affiliation with the Complex.
- D. Continuation of Complex Name. Upon expiration of this Agreement, City may continue to use the Complex name under the standards set forth in this Agreement for a commercially reasonable period of time, but no longer than 120 days.

## Section 11. Representations and Warranties

- A. By GSHCS. GSHCS represents and warrants that:
- i. It owns GSHCS trademarks.
  - ii. It has full power and authority to enter into this Agreement, and the person signing this Agreement on its behalf has the authority to do so.

B. By City. City represents and warrants that:

- i. It has and will continue to have the authority to own, operate and maintain the Complex during the term of this Agreement.
- ii. It has full power and authority to enter into this Agreement, and the person signing this Agreement on its behalf has the authority to do so.

## Section 12. Indemnification

- A. By GSHCS. GSHCS shall indemnify and hold harmless City and its respective officers, directors, employees, successors, and assigns from any claims, damages, liabilities, losses, government procedures, costs, and expenses, including reasonable attorneys' fees and costs of suit arising out of any claims by third parties relating to negligent or intentional acts or omissions of GSHCS or its employees, agents, or representatives in the exercise of its rights thereunder, including any events or activities conducted by GSHCS, except to the extent caused by the negligence or willful misconduct of the City.
- B. By City. To the extent permitted by Oregon law, subject to the limits of the Oregon Tort Claims Act, City shall indemnify and hold harmless GSHCS and its officers, directors, employees, successors, and assigns from any claims, damages, liabilities, losses, government procedures, costs, and expenses, including reasonable attorneys' fees and costs of suit arising out of claims by third parties relating to:
  - i. Any negligent or intentional acts or omissions of City or its employees, agents, or representatives in the exercise of its rights hereunder, except to the extent caused by the negligence or willful misconduct of GSHCS.
  - ii. Any injury, including death, to the person or property of another or other damage occurring in connection with the Complex or the activities of City relating to the Complex, including but not limited to promotional merchandise distributed or sold by the City.
  - iii. All loss, damage, or expense resulting from the execution or the performance of this Agreement that constitutes a breach of any obligation of City to a third party.
- C. Notification. The party seeking to be indemnified shall give prompt written notice to the other of any such claim, suit, or demand. Indemnifying party shall be entitled to defend or settle the matter through counsel of its own choosing and shall promptly notify indemnified party of its intention. Indemnified party shall cooperate with the indemnifying party. Indemnified party may conduct the defense itself, at indemnifying party's expense, if indemnified party has not notified the other of its election within 30 days following notice by indemnified party of such matters.

### Section 13. Governing Law

- A. This Agreement shall be governed by the laws of the State of Oregon. Any court action relating to this Agreement shall be brought in the State of Oregon Circuit Court for Umatilla County, Oregon or in the United States District Court for the District of Oregon, Pendleton Division. Nothing in this Agreement shall be deemed to prevent the parties from mediating any disputes under this Agreement.

### Section 14. Miscellaneous

- A. Relationship. The parties are acting as independent contractors; nothing in this Agreement shall be deemed to create a joint venture, partnership, agency, employment, or other relationship between the parties.
- B. Modifications. This Agreement may not be amended, modified, waived, or adjusted except in writing signed by the parties.
- C. Assignment. City may not assign or delegate any of its rights or obligations under this Agreement without GSHCS's prior written consent. GSHCS may not assign or delegate any of its rights or obligations under this Agreement without the City's prior written consent, except that an assignment or delegation to one of its affiliates shall not require consent. For the purpose of this section, an "affiliate" means an entity, which directly or indirectly owns or controls, is owned or is controlled by, or is under common ownership control with GSHCS.
- D. Severability. If any provision of this Agreement is deemed to be invalid, the remainder shall not be deemed invalid, and it shall be deemed amended by modifying such provision to the extent necessary to make the provision valid while preserving its intent or, if such a modification is not possible, substituting another valid provision so as to materially effectuate the parties' intent.
- E. Third Party Rights. GSHCS and City are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement provides, is intended to provide, or may be construed to provide any direct or indirect benefit or right to any third persons. No person or entity which is not a party to this Agreement has any right of action or relief against GSHCS or the City under this Agreement.
- F. Notice. All communications and notices thereunder shall be in writing addressed to a party at its address set forth below or at such other address as may be given by a party pursuant to a notice that complies with this section. Any notice to another party of this Agreement that is required or permitted under this Agreement is deemed received: three (3) days after deposited in the United States mail, certified and postage paid, and addressed to the address set forth below or to such other address as may be specified from time to time by either of the parties in writing; or by confirmed delivery date by facsimile or overnight mail; or upon the date of personal delivery or service.

For City of Hermiston:	For Good Shepherd Health Care System:
Name: Byron Smith	Name: Jonathan Edwards
Title: City Manager	Title: Chief Operating Officer/Chief Financial Officer
Address: 180 NE 2 <sup>nd</sup> Street	Address: 610 NW 11 <sup>th</sup> St.
City, State: Hermiston, OR 97838	City, State: Hermiston, OR 97838
e-mail: <a href="mailto:bsmith@hermiston.gov">bsmith@hermiston.gov</a>	e-mail: <a href="mailto:jedwards@gshealth.org">jedwards@gshealth.org</a>
Copy to:	Copy to:
<a href="mailto:rtovey@hermiston.gov">rtovey@hermiston.gov</a>	<a href="mailto:Mrenner@gshealth.org">Mrenner@gshealth.org</a>

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective authorized representatives.

**GOOD SHEPHERD HEALTH CARE SYSTEM**

By: \_\_\_\_\_  
 Art Mathisen  
 President/CEO

\_\_\_\_\_  
 Date

**CITY OF HERMISTON**

By: \_\_\_\_\_  
 Byron D. Smith  
 City Manager

\_\_\_\_\_  
 Date

DRAFT

Exhibit A

