

B) Resolution No. 2014 – The resolution will authorize an Immediate Opportunity Fund Agreement (IOFA) with the State of Oregon in order to construct a new traffic signal and turn lane at the 11th & Elm intersection.

Action – Motion to approve and lay upon the record. Roll Call

C) Resolution No. 2015- The resolution will authorize the Eastern Oregon Trade and Event Center (EOTEC) Board to enter into necessary financing agreements to finish capital construction of Phase 1.

Action- Motion to approve and lay upon the record. Roll Call

10. OTHER

A) Consider directing the City Recorder to post Public Notice of the May 17th, 2016 Primary Election.

Action- Motion to approve. Roll Call

B) December Financial Report- Amy Palmer

Action- Motion to approve. Roll Call

11. COMMITTEE REPORTS

A) City Committees and Liaison: Airport Advisory, Budget, Hispanic Advisory, Library Board, Parks & Recreation, Planning Commission, Recreation Projects Fund, Faith-Based Advisory Committee, Community Enhancement Committee, Public Safety Committee, Public Infrastructure Committee.

B) Mayor’s Report –

C) Council Report –

D) Manager’s Report –

12. ADJOURNMENT

UPCOMING MEETINGS AND EVENTS		
At City Hall unless otherwise specified		
Feb 8	7:00pm	City Council Meeting
Feb 10	7:00 pm	Planning Commission Meeting
Feb 11	5:30pm	Parks and Recreation Committee Meeting
Feb 15		PRESIDENTS DAY
Feb 16	7:00 pm	Hispanic Advisory Committee Meeting
Feb 22	6:00 pm	City Council Work Session
Feb 22	7:00pm	City Council Meeting
Feb 24	4:00pm	Library Board Meeting (Library)
Feb 26	7:00 am	EOTEC Meeting (Stafford Hansell Government Center)



HERMISTON CITY COUNCIL

Work Session

January 25th, 2016

Mayor Dave Drotzmann called the work session meeting to order at 6:00 pm. Present were Councilors Myers, Gutierrez, Primmer, Hardin, Kirwan, Davis, Beas-Fitzgerald, and Smith. Staff members in attendance were City Manager Byron Smith, Assistant City Manager Mark Morgan, Chief Edmiston, Bill Schmittle, Roy Bicknell, Amy Palmer, Heather LaBeau, Barb McMahan, and Lilly Alarcon-Strong. Budget Committee members present were Tim Beinert, Dave Wright, Brian Misner, and Laura Sterling. News media present were Michael Kane of Northeast Oregon Now and Jade McDowell of East Oregonian.

City Budgeting 101

Finance Director Amy Palmer stated the work session would be covering the basics of public sector budgeting, how the budget is developed, budget law, budget cycle, and budget structure and format.

City Manager Byron Smith thanked the Budget Committee members who have volunteered to be a part of the budget process. City Manager Smith stated Oregon has strict rules regarding what can and cannot be discussed tonight; the Budget Committee cannot officially be called until the City is ready to present the budget, but it does allow training and discussion meetings regarding the general budget process. City Manager Smith also explained that the City Budget Committee Members also serve as the Budget Committee for the Hermiston Urban Renewal Agency.

Finance Director Amy Palmer explained the City Budget is the single most important tool that the governing body has to communicate policies, decisions, goals, and priorities that have been set for the upcoming year. After the budget is adopted, it is used throughout the year to guide staff decisions and activities to make sure goals are met. It also gives the Local Government Spending Authority data to ensure performance and legal compliance is met.

Finance Director Amy Palmer stated the City prepares the budget, public notice is given that the Budget Committee will be meeting, the elected officials and citizen committee members meet as many times as necessary to discuss and approve the budget. After the budget is approved, a public hearing is set to receive public comment on the budget. The Council can make changes on the approved budget before it is adopted or the Council can adopt the budget as it was approved. The Council also makes appropriations, which is authorization to spend money; these actions are done through resolutions. It is also common to have at least one budget amendment and supplemental budget throughout the year.

Finance Director Amy Palmer explained the different fund accounts and their functions to include: the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund, Enterprise Fund, Internal Service Fund, Trust in Agency Funds, and Reserve Fund. Each fund records all the revenues and expenditures associated with each specific fund.

Finance Director Amy Palmer explained Budget Law requires city budgets to include: structure requirements, expenditure and revenue estimates be detailed by line item, include two years of prior actual history, and the current fiscal year budget.

Finance Director Amy Palmer stated 60% of the general fund is made up of property taxes, and these taxes have certain limitations. Mrs. Palmer explained the difference in Ballot Measure 5 and Ballot Measure 50 and how they affect the overall city budget. Mrs. Palmer stated the budget process is as

HERMISTON CITY COUNCIL

Work Session

January 25th, 2016

follows: The Council and City Staff will meet in January for a Goal Setting Meeting; in February, staff prepares their future budget needs and discusses them with the City Manager and Finance Director; on March 28, the City will hold its 2015-2016 supplemental hearing; in April, the City Manager will finalize the budget, and on May 18 and possibly May 19, the Budget Committee will meet and approve the budget; and the public hearing to adopt the 2016-2017 budget will be June 13.

Mayor Drotzmann asked if the June 13th public hearing would be enough time to adopt the budget if there are items that need to be readdressed after this point.

City Manager Smith stated there should be enough time to make any changes at the second meeting in June.

Finance Director Amy Palmer stated these are the practices the City has followed, but the City can have as many meetings as they choose before July, to approve and adopt the budget.

There was some discussion regarding the proposed dates and it was decided the dates above would remain as presented.

City Manager Smith stated there will be more in-depth explanations at the budget meeting in May and showed examples from the City's adopted 2015-2016 budget of the items that were previously discussed by Mrs. Palmer.

Councilor Myers stated last year, there was a lot of confusion regarding the layout of the budget documents and asked if these items have been properly addressed.

Councilor Davis asked if the software issues from last year had been fixed as well.

Mrs. Palmer stated she and City Manager Smith are working through the layout issues and are hoping most will be resolved before the Budget Meeting, and the software issues have been resolved through Caselle, the software system.

Mayor Drotzmann suggested using tabs for the budget documents and stated budget reports are given monthly by Finance Director Amy Palmer and can also be found on the City's website.

Mayor Drotzmann ended the work session at 6:48 pm. The Council took a short break before the regular City Council meeting began at 7:00am.

HERMISTON CITY COUNCIL

Regular Meeting

January 25th, 2016

Mayor Dave Drotzmann called the regular meeting to order at 7:00 pm. Present were Councilors Myers, Gutierrez, Primmer, Hardin, Kirwan, Davis, Beas-Fitzgerald, and Smith. Staff members in attendance were City Manager Byron Smith, City Attorney Gary Luisi, Assistant City Manager Mark Morgan, Sergeant Scott Clark, Clint Spencer, Bill Schmittle, Roy Bicknell, Larry Fetter, Amy Palmer, Heather LaBeau and Lilly Alarcon-Strong. News media present was Jade McDowell of the East Oregonian. The pledge of allegiance was given.

Consent Items

Councilor Primmer moved and Councilor Davis seconded to approve all Consent Agenda items, to include:

1. December Expenditures
2. Minutes of the January 11th, work session and regular City Council meeting.
3. Minutes of the October 29th, Community Enhancement Committee meeting.
4. Minutes of the November 12th, Parks and Recreation Committee meeting.
5. Minutes of the November 16th, Hispanic Advisory Committee meeting.
6. Minutes of the December 14th, Community Livability Oversight Committee meeting.
7. Annual report for the Hermiston Urban Renewal Agency

Motion carried unanimously.

Amend contract with C&E Trenching for the Regional Water System

City Manager Smith stated the City is proposing to amend the contract with C&E Trenching to perform additional work to upgrade the Regional water System pumping capacity and construct a flushing system. City Manager Smith stated C&E Trenching has been doing some work on the OSU Project, the Engineer feels this bid is in reasonable range, and the City has been very pleased with their work and would like to amend their contract to finish the items listed above. The original contract amount was \$1.1 million with the proposed amendment of \$660,000. The project completion date should be in June. Councilor Smith moved and Councilor Primmer seconded to approve the amendment to C&E Trenching. Motion carried unanimously.

Council Report

Parks and Recreation: Councilor Primmer stated the Parks and Recreation Committee continues to work on North Park. Residents who live in the neighborhood of North Park have been participating in meetings and voicing their ideas.

Hispanic Advisory Committee: Councilor Gutierrez stated Assistant City Manager Morgan gave a Livable Hermiston Presentation; Violence Prevention Coordinator Danny Bane and Maria Duron from UEC also gave presentations.

Community Enhancement Committee: Councilor Myers stated three agencies have applied for the Art Project, the Committee is trying to select the best candidate from the three.

Hermiston's Branding Committee: Mayor Drotzmann stated the Branding Committee's first meeting was well attended; there is good participation from the high school, specifically Mr. Roger Berger and four of his students who are on the Committee.

HERMISTON CITY COUNCIL

Regular Meeting

January 25th, 2016

Community Accountability Board: Councilor Gutierrez and Primmer stated as juvenile crime continues to decrease, the Board feels it is important to continue with the CAB program. The Council recognized what an excellent job Officer Erica Sandoval does with the CAB program and being the new Youth Officer at the elementary schools.

Airport Advisory Board: Assistant City Manager Morgan stated the Airport will be installing new carpet.

Mayors Report

Mayor Drotzmann reminded the Council that the Fair Appreciation Dinner is Saturday, January 30th, at 6:00 pm and the Hermiston Education Foundation is Saturday, February 6th. Mayor Drotzmann stated the EOTEC Fundraising Board has raised over \$450,000 and will continue giving presentations for the next two months. The community has been very open and giving. Mayor Drotzmann stated the Annual Police Report prepared by Chief Edmiston was very well done.

Council Report

Councilor Beas-Fitzgerald stated she will not be at the following meeting as she has been appointed to the Oregon Commission for Women, Representing Eastern Oregon.

Mayor Drotzmann congratulated Councilor Beas-Fitzgerald and stated it was an honor for her to represent women, Eastern Oregon, and the City of Hermiston.

Managers Report

City Manager Smith reminded the Council of the Goal Setting Retreat on Saturday, January 30th from 9:00 am to 4:00 pm. The EOTEC tour with Representative Greg Walden went very well, there will be a Grant Opening Celebration once EOTEC is ready. Starting in February, at the second meeting of the month, Rob Drier with Frew Development and Heather Cannell with EOTEC will be giving the Council monthly reports regarding the progress at EOTEC.

Recess

Mayor Drotzmann recessed the regular meeting at 7:27 pm and announced that an executive session will convene in accordance with ORS 192.660 (2)(e), Relative to conduct deliberations with persons designated by the council to negotiate real property transactions.

Representatives of the news media and designated staff will be allowed to attend the executive session. All other members of the audience are excluded. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No final decision may be made in executive session. At the end of the executive session, the council will return to open session which the audience may attend.

HERMISTON CITY COUNCIL

Regular Meeting

January 25th, 2016

Reconvened

Mayor Drotzmann reconvened the regular meeting at 7:37 p.m.

Councilor Davis moved and Councilor Gutierrez seconded to purchase property owned by PGG, located across the street from the Police Department in the amount of \$40,000 for a Skate Park. Motion carried unanimously.

Adjournment

There was no other business, and the meeting was adjourned at 7:38 pm.

SIGNED:

/s/ David Drotzmann

MAYOR

ATTEST:

/s/Lilly Alarcon-Strong

ASSISTANT CITY RECORDER

**HERMISTON PUBLIC LIBRARY
LIBRARY BOARD MEETING
December 16, 2015**

Board Chairperson Lori Spencer, called the meeting to order at 4:00. Members present were, John Douglass, Kay Bennett and Anne Doherty. Marie Baldo, Library Director was also present.

The minutes of the October, 2015 meeting were approved as written.

Under unfinished business: The librarian provided status reports on the LEO Artplace grant, new furniture/display case, and the trip to the Guadalajara Book Exhibition. Progress on the Walmart STEAM grant was also discussed.

Under New Business: The librarian informed the board members of her intention to retire as of June 30, 2016. The current job description was discussed and the librarian stated that she would find more sample descriptions to provide to the Board members.

Under the librarian's report: Upcoming events were reviewed.

Other matters to come before the board: None

The meeting was adjourned at 4:50. The next meeting is scheduled for January 27 at 4:00 pm. in the Lanham room.



**Marie L. Baldo
Library Director**

Hermiston Airport Advisory Committee Minutes

January 6, 2016

4:00 P.M.

Members Present: Mike Martin, Ron Osgood, Ron Linn, Dan Burns, Tim Beinert.

City Representative: Mark Morgan.

Airport caretakers: Susie Rawe

Absent:

Visitors:

Minutes: December minutes were approved.

Airport Report: Reviewed.

Financial report: Reviewed.

Old Business:

- **Terminal building carpeting:** The terminal building and caretaker home have received bids for replacement carpet with installation to take place sometime in February. This has been a long overdue project that will bring the buildings aesthetics up to current day standards.

New Business:

- **Directional wind sock and lighting:** The windsock stand and lighting are in need of replacement. A replacement unit will be purchased.
- **Discount fuel agreement:** A discounted fuel price agreement is being explored with Jet A fuel users that can commit to a minimum of 500 gallons' monthly average.
- **Ground/Hanger lease:** A lease is being written for the development of a hanger approximately 45ft x 50ft.

Meeting adjourned: 4:45pm

Next meeting: February 3, 2016 at 4:00pm

Respectfully submitted by:

Ronald Osgood, Secretary



HERMISTON POLICE DEPARTMENT

330 S. First Street ★ Hermiston, OR 97838
PHONE(541) 567-5519 FAX(541) 567-8469
EMAIL records@hermiston.or.us

TO: City Manager Byron Smith
FROM: Chief Jason Edmiston 
DATE: January 25th, 2016
SUBJECT: Liquor License Application – La Hacienda Mexican Restaurant

After review of the liquor license application for the “Full On-Premises Sales, Commercial Establishment Change of Ownership” for La Hacienda Mexican Restaurant located at 285 E. Main Street, Hermiston, I find nothing of substance after performing a criminal history check consistent with established parameters utilized by the city, to deny the application submitted by Martha Echeverria.

It is therefore my recommendation this license be granted.



HERMISTON POLICE DEPARTMENT

330 S. First Street ★ Hermiston, OR 97838

PHONE(541) 567-5519 FAX(541) 567-8469

EMAIL records@hermiston.or.us

TO: City Manager Byron Smith
FROM: Chief Jason Edmiston 
DATE: February 4th, 2016
SUBJECT: Liquor License Application – Mercado San Juan

After review of the liquor license application for the "Off-Premises Sales, New Outlet" for Mercado San Juan located at 1150 W Hartley Ave Ste A, Hermiston, I find nothing of substance after performing a criminal history check consistent with established parameters utilized by the city, to deny the application submitted by Antonio Rauda Aguilar.

It is therefore my recommendation this license be granted.

STAFF REPORT

For Meeting of Feb. 8, 2016

MAYOR AND MEMBERS OF THE CITY COUNCIL

Agenda Item #

NO. 2016-

SUBJECT:

Res. 2013- Elm &
11th Signal MOA

Subject

This resolution will authorize a Memorandum of Agreement (MOA) between the City and Good Shepherd Medical Center (GSMC) to outline financial responsibilities relating to a new traffic signal and turn pocket on Hwy 207 near the hospital.

Summary and Background

Adding a traffic signal and turn pockets at the 11th & Elm intersection is currently listed as the #1 priority project on the City's Transportation System Plan (TSP), which was updated and approved by City Council in 2014.

City staff began working with Good Shepherd Medical Center (GSMC) staff regarding these improvements in the Spring of 2014 when GSMC announced additional expansion intentions at its campus. GSMC indicated that the expansions would create 58 new permanent jobs, and traffic at the hospital would increase by nearly 300 trips per day. Staff then worked to pursue an Immediate Opportunity Fund (IOF) grant through the state, which would cover 50% of the cost of a new signal and turn lanes. The GSMC Board of Directors, at their October, 2014 meeting, approved submission of a grant, whereby the City and GSMC would each pay for 25% of the cost of the improvements.

The Oregon Transportation Commission approved the City's IOF application in the Spring of 2015. As is standard for these projects ODOT provided the city with an IOF Agreement in December, 2015, in order to complete the project, see Resolution No. 2014. Pending approval of the IOF Agreement by the City Council, work to install the new signal and turn lanes will begin at the end of 2016, and is scheduled for completion in early 2017.

Because IOF grants are for economic development, the IOF Agreement between the City and ODOT includes a "pay-back" requirement if the promised number of jobs are not created within five years of the private investment. Because the City will be on the hook for the "pay back" with ODOT if the required number of jobs is not created, the attached "Memorandum of Agreement" was developed to outline responsibilities between the City and GSMC. This MOA, approved by GSMC's Board of Directors at their Jan. 28 meeting, specifies that in the event that the jobs are not created, then GSMC will pay for 75% of the pay-back cost, and the City will cover the remaining 25%.

GSMC has already met the threshold for creating the promised new jobs. The "baseline" number of jobs at the time the IOF grant was submitted in early 2015 was 482. GSMC staff has worked with City staff, and Business Oregon staff to identify that

City of Hermiston

as a result of other expansions at GSMC, the current employment there is higher than the necessary threshold of 540. Therefore, GSMC will soon begin the process of verifying these employment gains through the state's process, and the likelihood of any "pay-back" requirement is very low.

Fiscal Information

It is important to remember that GSMC has already met the employment threshold, and barring a major economic collapse, should be able to verify these numbers by this summer.

There is currently no agreement between GSMC and the City regarding payback responsibilities for the IOF grant. Therefore, if the City accepts the IOF Agreement and the hospital cuts staff, then the City could be on the hook for the entire \$800,000, unless the Council approves Resolution No. 2013.

Alternatives and Recommendation

Alternatives

1. Motion to approve Resolution No. 2013
2. Motion to deny Resolution No. 2013

Recommendation

Although staff is very comfortable that this project will move forward without issues, it is still recommended to have this agreement in place to outline responsibilities in the event of the unknown.

Requested Action/Motion

Motion to approve Resolution No. 2013

Department Head- Mark Morgan, Assistant City Manager 

City Attorney Review- Gary Luisi, City Attorney 

City Manager Approval- Byron Smith, City Manager 

RESOLUTION NO. 2013

A RESOLUTION AUTHORIZING THE MAYOR, ON BEHALF OF THE CITY OF HERMISTON, TO SIGN A MEMORANDUM OF AGREEMENT WITH THE GOOD SHEPHERD MEDICAL CENTER (GSMC) FOR REPAYMENT OF AN IMMEDIATE OPPORTUNITY FUND GRANT FROM THE OREGON DEPARTMENT OF TRANSPORTATION IF THE GRANT CONDITION FOR THE CREATION OF A CERTAIN NUMBER OF JOBS IS NOT MET.

WHEREAS, adding a traffic signal and turn pockets at the 11th & Elm intersection is currently listed as the #1 priority project on the City's Transportation System Plan (TSP), which was updated and approved by City Council in 2014.

WHEREAS, the Project will be jointly financed by an Immediate Opportunity Fund (IOF) grant between the State of Oregon and the City of Hermiston;

WHEREAS, IOF grants are for economic development, the IOF Agreement between the City and ODOT includes a "pay-back" requirement if the promised number of jobs are not created within five years of the private investment. Because the City will be on the hook for the "pay back" with ODOT if the required number of jobs is not created, the attached "Memorandum of Agreement" was developed to outline responsibilities between the City and GSMC. This MOA, approved by GSMC's Board of Directors at their Jan. 28 meeting, specifies that in the event that the jobs are not created, then GSMC will pay for 75% of the pay-back cost, and the City will cover the remaining 25%, now, therefore,

IT IS RESOLVED that the form, terms and provisions of the draft Memorandum of Agreement, attached hereto, and the transactions contemplated thereby, providing for, among other things, a repayment formula by the parties if the grant condition for creation of jobs is not met, a copy of which has been presented to and reviewed by the Council, be, and they are, in all respects, hereby approved and adopted;

IT IS FURTHER RESOLVED that Mayor Dr. David Drotzman be, and is, hereby authorized to execute and deliver the Memorandum of Agreement to GSMC for its execution and delivery of an executed original copy to the City, substantially in the form heretofore approved and adopted by the City Council; and

IT IS FINALLY RESOLVED that pursuant to ORS 221.310(3), this resolution is effective immediately upon its passage.

Dated this 8th day of February, 2016.

CITY OF HERMISTON

ATTEST:

Mayor

City Recorder

MEMORANDUM OF AGREEMENT

DATE: January 29, 2016

PARTIES: CITY OF HERMISTON
GOOD SHEPHERD MEDICAL CENTER

PURPOSE: To document the understanding between the parties as to how the entities will reimburse the Oregon Department of Transportation (ODOT) if job creation standards are not met for an Immediate Opportunity Fund (IOF) grant.

RECITALS: The Good Shepherd Medical Center (GSMC) Board of Directors, on October 30, 2014, approved contributing \$450,000 toward the cost of installing upgrades to Elm Street and 11th Street through an IOF grant. This amount was to be considered half of the local match for the IOF grant, with the City of Hermiston (City) paying for the other half of the local match.

IOF grants pay for upgrades to the ODOT system when adjacent developments, which create new jobs, are dependent upon highway improvements. IOF recipients must prove that the jobs have been created within five years of the development becoming operational.

Relying on GSMC's agreement to pay half of the local match, City submitted an IOF grant to ODOT to fund the improvements to Elm & 11th. Throughout the grant development process, GSMC staff represented to the City that the new jobs to be created as a result of the project would be 58 new Full Time Equivalent (FTE) employees. This number was included in the IOF grant application.

The Oregon Transportation Commission approved City's IOF application on March 19, 2015.

City is required to enter in to an IOF Agreement (IOFA) #30695 with ODOT in order to accept IOF funds and start the project, a copy of the IOFA is attached hereto. The IOFA requires City to pay back a pro-rated amount of the IOF funds paid, plus interest, if the minimum job creation number is not reached after five years of the start of operation. The pro-rated formula for re-payment, as stated in the, IOFA is:

“The formula for the pro-rated amount of IOF funds paid will be an amount equal to the number of actual FTE positions divided by the number of projected FTE positions multiplied by total IOF funds available. Reimbursement will be the amount of IOF Funds actually distributed less the pro-rated amount.”

AGREEMENT: Now, THEREFORE, the parties agree and document their intentions as follows;

1. GSMC shall cooperate with City and ODOT to verify employment gains as a result of this project, which occurred between March 19, 2015 and five years from the date that GSMC's new facilities are in operation.
2. GSMC acknowledges and agrees that ODOT, the Oregon Secretary of State's Office, the federal government, and their duly authorized representatives shall have access to such fiscal records and other books, documents, papers, plans and writings of GSMC that are pertinent to this Agreement and the IOFA to perform examinations and audits and make excerpts and transcripts. GSMC shall retain and keep all files and records for a minimum of six (6) years after completion of the Project.
3. City shall cooperate with GSMC to mitigate any penalty if the job creation requirement is not met.
4. In the event that reimbursement of the grant funds is required under the IOFA for failure to meet the projected number of new FTE jobs, GSMC shall pay to City 75% of the pro-rated amount due as reimbursement to ODOT.
5. City shall, in the event that reimbursement is required for failure to create the projected number of new FTE jobs, use GSMC's contribution and pay the full pro-rated amount due as reimbursement to ODOT.

CITY OF HERMISTON

By: _____ Date: _____

GOOD SHEPHERD MEDICAL CENTER

By: Jim L. Schlenker, COO Date: 1-29-2016

STAFF REPORT

For Meeting of Feb. 8, 2016

MAYOR AND MEMBERS OF THE CITY COUNCIL

Agenda Item #

NO. 2016-

SUBJECT:

Res. 2014- Elm &
11th Signal IOFA

Subject

This resolution will authorize an Immediate Opportunity Fund Agreement (IOFA) with the State of Oregon in order to construct a new traffic signal and turn lane at the 11th & Elm intersection.

Summary and Background

This agreement is required between the City and ODOT to install a new traffic signal and turn lanes at the intersection of 11th and Elm. More details of the background can be found in the other staff report for this topic for this meeting.

Fiscal Information

The City already has its 25% match (\$400,000) included in to this year's approved budget.

Through a sub-agreement (also to be approved by City Council on Feb. 8), GSMC's Board has already agreed to provide their 25% portion of the match, as well as cover 75% of any "payback" requirements if necessary.

Alternatives and Recommendation

Alternatives

1. Motion to approve Resolution No. 2014
2. Motion to deny Resolution No. 2014

Recommendation

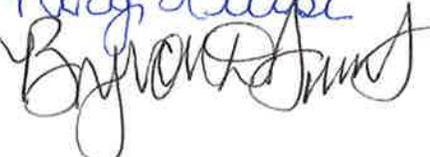
This is an excellent opportunity for the City to leverage State and private funding to complete the community's #1 transportation improvement priority at ¼ the cost. Recommend approval of the IGA.

Requested Action/Motion

Motion to approve Resolution No. 2014

Department Head- Mark Morgan, Assistant City Manager 

City Attorney Review- Gary Luisi, City Attorney 

City Manager Approval- Byron Smith, City Manager 

City of Hermiston

RESOLUTION NO. 2014

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN, ON BEHALF OF THE CITY OF HERMISTON, AN IMMEDIATE OPPORTUNITY FUND AGREEMENT WITH THE OREGON DEPARTMENT OF TRANSPORTATION TO INSTALL A TRAFFIC SIGNAL ON OREGON HIGHWAY 207 AT THE INTERSECTION OF 11TH STREET AND ELM AVENUE AND FOR THE CITY TO CARRY OUT THE TERMS AND CONDITIONS OF THE IMMEDIATE OPPORTUNITY FUND AGREEMENT.

WHEREAS, BY THE AUTHORITY GRANTED IN Oregon Revised Statutes (ORS) 190.110, state agencies and local governments may enter into agreements for the performance of any or all functions and activities that a party to the agreement, its officers, or agents have the authority to perform and;

WHEREAS, a certain portion of OR Highway 207 (OR207) is within the city limits and is a part of the city street system referred to as 11th Street and Elm Avenue; and

WHEREAS, for the purpose of providing and improving acceptable traffic circulation patterns on public highways the parties are in agreement that a traffic light should be installed at the intersection of 11th Street and Elm Avenue (Project); and

WHEREAS, the Project will be jointly financed by an Immediate Opportunity Fund (IOF) grant from the State of Oregon and the City of Hermiston; now, therefore,

IT IS RESOLVED that the form, terms and provisions of the draft of the "Immediate Opportunity Fund Agreement OR207: 11th @ Elm Signal (City of Hermiston)," attached hereto and the transactions contemplated thereby, providing for, among other things, the installation of a traffic signal on OR207 at the intersection of 11th Street and Orchard Avenue, and associated sidewalks, turn lanes, and paving improvements required to meet current standards, copies of which have been presented to and reviewed by the Council, be, and they are, in all respects, hereby approved and adopted;

IT IS FURTHER RESOLVED that Mayor Dr. David Drotzman be, and is, hereby authorized to execute and deliver the "Immediate Opportunity Fund Agreement OR207: 11th @ Elm Signal (City of Hermiston)," substantially in the form heretofore approved and adopted by the City Council; and

IT IS FINALLY RESOLVED that pursuant to ORS 221.310(3), this resolution is effective immediately upon its passage.

Dated this 8th day of February, 2016.

CITY OF HERMISTON

ATTEST:

Mayor

City Recorder

**IMMEDIATE OPPORTUNITY FUND AGREEMENT
OR 207 – 11th at Elm Signal
City of Hermiston**

THIS AGREEMENT is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State;" and the CITY OF HERMISTON, acting by and through its elected officials, hereinafter referred to as "City," both herein referred to individually or collectively as "Party" or "Parties."

RECITALS

1. The Oregon Transportation Commission ("OTC") at its July 15, 1988, meeting approved establishing an Immediate Opportunity Fund ("IOF") to support primary economic development in Oregon through the construction and improvement of streets and roads. The OTC, at its meeting on March 19, 2015, revised the guidelines for the use of this fund. IOF funds are limited to: Type A) specific economic development projects that affirm job retention and job creation opportunities; Type B) revitalization of business or industrial centers to support economic development; and Type C) preparation of Oregon certified project-ready industrial sites; and Type D) preparation of regionally significant industrial areas.
2. The OTC at its March 19, 2015, meeting approved Type A Immediate Opportunity Fund (IOF) grant, for 50% of Total Estimated Project costs not to exceed \$813,710, to the City of Hermiston for the purpose of making roadway and intersection improvements at the intersection of NW 11th Street and West Elm Avenue, in Hermiston, Oregon. At this location, OR 207/Hwy 333 (Hermiston Highway) is routed over the portion of NW 11th Street south of West Elm Avenue, and over the portion of West Elm Avenue east of NW 11th Street. This portion of OR 207/Hwy 333 is a state highway routed over a city street and is a part of the state highway system under the jurisdiction and control of the Oregon Transportation Commission. The portion of NW 11th Street to the north of Elm Avenue and the portion of Elm Avenue to the west of NW 11th Street are a part of the city street system under the jurisdiction and control of the city.
3. City has entered into a separate agreement with Good Shepherd Medical Center, which provides for City to act on GSMC's behalf for purposes of compliance with this Agreement. Any approval or authority necessary to be exercised by GSMC for purposes of this Project is given to City pursuant to said agreement. City may also enter into separate Agreements with other entities and agencies to provide for funding necessary to meet the City's funding requirements of the Project.
4. By the authority granted in Oregon Revised Statute (ORS) 190.110, 366.572 and 366.576, State may enter into cooperative agreements with counties, cities and units of local governments for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting Parties.

5. By the authority granted in ORS 810.210, State is authorized to determine the character or type of traffic control devices to be used, and to place or erect them upon state highways at places where State deems necessary for the safe and expeditious control of traffic. No traffic control devices shall be erected, maintained, or operated upon any state highway by any authority other than State, except with its written approval. Traffic signal work on this Project will conform to the current State standards and specifications, as shown on the attached document, marked "Exhibit B," and by this reference made a part hereof.
6. State, by ORS 366 is vested with complete jurisdiction and control over the roadways of other jurisdictions taken for state highway purposes. By the authority granted by ORS 373.020, the jurisdiction extends from curb to curb, or, if there is no regular established curb, then controls extends over such portion of the right of way as may be utilized by State for highway purposes. Responsibility for and jurisdiction over all other portions of city street remains with the City.

NOW THEREFORE, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

TERMS OF AGREEMENT

1. State agrees to make roadway and intersection improvements to mitigate the expansion of the Good Shepherd Medical Center (GSMC), Umatilla County that meets the IOF criteria. In order to facilitate increased trips generated from the expansion of GSMC; improvements will consist of adding signalization, protected turning movements to the intersection of Elm Street and 11th Street, and associated sidewalks and paving improvements required to meet standards, hereinafter referred to as "Project". The location of the Project is approximately as shown on the sketch map attached hereto, marked "Exhibit A," and by this reference made a part hereof.
2. The Oregon Business Development Department (OBDD) recommends use of Type A Immediate Opportunity Funds for this Project. State agrees to provide 50% of the cost of the Project in Immediate Opportunity Funds not to exceed \$813,710 to help finance the Project. City will be responsible for all remaining costs in excess of the available IOF funding.
3. Should City request signal preemption for emergency vehicles ("Emergency Preemption"); State shall install emergency preemption equipment and it shall be charged as a Project cost. Upon Completion of the Project, City shall be responsible for maintenance and power costs associated with emergency preemption.
4. This Agreement is effective on the date all required signatures are obtained and shall terminate upon completion of the Project and receipt of documentation of filled and created positions outlined under City obligations or ten (10) years, whichever is sooner.

STATE OBLIGATIONS

1. State or its consultant shall prepare all Project plans, specifications, cost estimates, design work, environmental documents and clearances necessary for the installation of a new traffic signal and associated roadway improvements at Elm and 11th Streets in Hermiston; State shall advertise and administer the construction contract including project management, construction inspection and project acceptance.
2. The total estimated cost of the Project is \$1,627,420, of which State shall provide IOF funding of not more than 50% of the Project cost, not to exceed \$813,710. City shall be responsible for remaining costs over the IOF funding.
3. Upon execution of this Agreement and prior to Advanced Plans, State shall forward to City a letter of request for advance deposit or irrevocable letter of credit in an amount when combined with the IOF funding shall equal 110% of the estimated project cost. Depending upon the timing of portions of the Project to which the advance deposit contributes, it may be requested by State prior to Preliminary Engineering, or 4 – 6 weeks prior to Project bid opening.
4. Upon completion of the Project, if the total actual Project cost exceeds the estimated Project cost, State shall send to City an invoice in an amount which, when added to City's advance deposit and IOF funding, will equal 100% of the Total Project Cost. If the Total Project cost totals less than the estimated project cost; then State shall refund to City any portion of the advanced deposit that is in excess of the total Project cost.
5. State shall, upon signal turn on and proper operation; perform all necessary maintenance of said traffic signals and vehicle detector loops, and control the timing established for the operation of the traffic signals. State shall also be responsible for and at its own cost maintenance for sidewalk, traffic signal and roadway improvements associated with this Project that fall within State's right of way. City shall continue to be responsible for maintenance and jurisdiction of sidewalk, roadway improvements and all facilities that fall within City's right of way.
6. State shall cause to be relocated or reconstructed, storm drainage, any privately or publicly owned utility conduits, lines, poles, mains, pipes, and other such facilities of every kind and nature where such relocation or reconstruction is made necessary by the plans of the Project in order to conform the utilities and other facilities with the plans and the ultimate requirements for the portions of the Project which are on State right of way. All utility relocations shall follow State law, State guidelines, and existing agreements, including but not limited to City's Franchise Agreement.
7. State shall as part of the Project, lay out and paint the necessary lane lines and erect the required directional and traffic control signing.

8. State shall provide IOF funding of not more than 50% of the total Project cost and shall not exceed \$813,710. City shall be responsible for an advanced deposit equal to 110% of the estimated Project cost, which will be applied to preliminary engineering, right of way acquisition and construction only.
9. As part of the Project costs, State shall purchase in the State's name any right of way needed for the construction of the Project. Upon completion of the Project, State shall transfer by deed and City agrees to accept any property no longer needed for construction of the Project. Any right of way being conveyed in which State has any title shall be vested in City only so long as used for public road purposes. If said right of way is no longer used for public road purposes, it shall automatically revert to State. The Parties agree to enter into a Right of Way Services Agreement to set forth the responsibilities and activities to be accomplished by each Party.
10. If additional right of way is acquired for state highway right of way purposes as a result of the Project, then a right of way monumentation survey is required as defined in ORS 209.150 and 209.155. State agrees to provide such a survey, as part of the Project cost, following ORS Chapter 209 stipulations, State Right of Way Monumentation Policy, and State's Geometronics Unit review and approval, and to file the legal survey with the appropriate County Surveyor's office as required.
11. State shall submit to the assigned City Project Liaison all environmental documents, Project plans, specifications and cost estimates before advertisement for construction bids.
12. State certifies, at the time this Agreement is executed, that sufficient funds are available and authorized for expenditure to finance costs of this Agreement within State's current appropriation or limitation of the current biennial budget.
13. State certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of State, under the direction or approval of its governing body, commission, board, officers, members or representatives, and to legally bind State.
14. State's Project Manager for this Project is Mike Barry, Local Agency Liaison, 3012 Island Avenue, La Grande, Oregon 97850, phone (541) 963-1353, or assigned designee upon individual's absence. State shall notify the other Party in writing of any contact information changes during the term of this Agreement.

CITY OBLIGATIONS

1. City grants State access to City's right of way for all phases of work needed for the construction of this Project, and future signal maintenance duties set forth in this Agreement.

City/State
Agreement No.30695

2. City shall upon receipt of a fully executed Agreement and upon subsequent letter of request from State, forward to State an advance deposit or irrevocable letter of credit in the amount equal to 110% of the estimated Project cost.
3. City, by execution of Agreement, gives its consent as required by ORS 373.050(1) to any and all closure of roads that intersect the state highway, if any, in connection with or arising out of the Project covered by the Agreement.
4. City shall be responsible for and shall pay to the power company 100 percent of power costs for the traffic signal. The power company shall send bills directly to City.
5. City shall retain jurisdictional control of, and upon completion of the Project be responsible for the on-going maintenance and power costs associated with the following at City's own expense: water lines, storm sewer system, sidewalks, curbs, luminaries, street name signs, emergency preemption (if installed at City's request), and all other maintenance items not listed under State Obligations and within City right of way. City shall not be responsible for maintenance of OR207 travel lanes, striping, shoulders, curbs or highway signage or all other maintenance items covered under State Obligations, Paragraph 5 that falls within State right of way.
6. Upon completion of the Project, City agrees to accept the transfer by deed any property no longer needed for construction of the Project. Any right of way being conveyed in which State has any title shall be vested in City only so long as used for public road purposes. If said right of way is no longer used for public road purposes, it shall automatically revert to State.
7. If vehicle detector loops are installed in the city streets as part of this Project; City, at its own expense, shall maintain the asphaltic concrete pavement surrounding the vehicle detector loops in such a manner as to provide adequate protection for said detector loops.
8. The Project shall be maintained and operated at a minimum level that is consistent with normal depreciation and/or service demand. Maintenance responsibilities shall survive termination of this Agreement and upon completion of Project and submission of documentation under City Obligation 10 Job Growth Assessment.
9. State shall submit to City for review and recommendation to accept, any change orders that substantially change the plans and specifications or the submitted scope of work as approved by the OTC and as identified in this Agreement.
10. Because the purpose of the IOF Type A project is to promote job growth the State wishes to assess its investment.
 - a. Therefore, within 5 years of beginning the operation of the new GSMC facilities, City shall provide to State documentation from GSMC that 58 new FTE positions have been created and filled by the expansion of GSMC. If such documentation

cannot be provided within the above stated time limit, City shall reimburse State all IOF Funds expended by State as outlined below.

- b. The targeted number of new FTE positions is the number approved by the OTC. "New FTE positions" shall mean new positions created, filled and remaining on the payroll for at least one (1) year.
 - c. City shall ensure that GSMC provides the verification documentation; and that it will be in writing on company letterhead signed by an official of GSMC duly authorized to represent GSMC certifying the number of new FTE positions. State, OBDD or the Oregon Secretary of State Audits Division, shall have the right to audit the payroll records of GSMC in order to confirm information in the letter.
 - d. If the documentation shows a deficiency in the number of FTE positions, City shall reimburse State on a pro-rated basis. The formula for the pro-rated amount of IOF funds paid will be an amount equal to the number of actual FTE positions divided by the number of projected FTE positions multiplied by total IOF funds available. Reimbursement will be the amount of IOF Funds actually distributed less the pro-rated amount.
11. Reimbursements resulting from a failure to provide job documentation, failure to meet job target goals or failure to obtain Project Site Certification shall be paid to State by City within three (3) months after the above stated time limit.
- a. All said reimbursements shall include interest equal in rate for the Highway Trust Fund at the State Treasury established on the date of execution of this Agreement. Interest shall accrue from the date of the first withdrawal from the Highway Trust Fund at the State Treasury.
 - b. City may wish to enter into a separate agreement with GSMC to address pay back of City reimbursements to State resulting from GSMC's failure to provide documentation or failure to meet job target goals.
 - c. At City's request and upon consultation with OBDD, State may grant a time extension on the reimbursement or a time extension to provide additional job growth. Any extension will only be effective upon amendment to this Agreement.
12. City acknowledges and agrees that State, the Oregon Secretary of State's Office, the federal government, and their duly authorized representatives shall have access to such fiscal records and other books, documents, papers, plans and writings of City that are pertinent to this Agreement to perform examinations and audits and make excerpts and transcripts. City shall retain and keep all files and records for a minimum of six (6) years after completion of the Project.
13. City shall comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, the provisions of ORS 279C.505, 279C.515, 279C.520, 279C.530 and

279B.270 incorporated herein by reference and made a part hereof. Without limiting the generality of the foregoing, City expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

14. City certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of City, under the direction or approval of its governing body, commission, board, officers, members or representatives, and to legally bind City.
15. City's Project Manager for this Project is Byron Smith, City Manager, City of Hermiston, 180 NE 2nd Street, Hermiston, Oregon 97838. Phone: (541) 567-5521, city@hermiston.or.us, or assigned designee upon individual's absence. City shall notify the other Party in writing of any contact information changes during the term of this Agreement.

GENERAL PROVISIONS

1. This Agreement may be terminated by mutual written consent of both Parties.
2. State may terminate this Agreement effective upon delivery of written notice to City, or at such later date as may be established by State, under any of the following conditions:
 - a. If City fails to provide payment of its share of the cost of the Project.
 - b. If State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.
 - c. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or State is prohibited from paying for such work from the planned funding source.
3. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
4. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or City with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party

Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.

5. With respect to a Third Party Claim for which State is jointly liable with City (or would be if joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by City in such proportion as is appropriate to reflect the relative fault of State on the one hand and of City on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of City on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.
6. With respect to a Third Party Claim for which City is jointly liable with State (or would be if joined in the Third Party Claim), City shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of City on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of City on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. City's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.
7. The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
8. City agrees to reimburse State for all Immediate Opportunity Funds paid by State in connection with this Project if this Agreement is terminated for any reason prior to completion of Project and receipt of job assessment documentation. Refund to State shall be made within three (3) months from termination date.
9. State and City hereto agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be invalid, unenforceable, illegal or in

conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

10. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
11. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification, or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of State to enforce any provision of this Agreement shall not constitute a waiver by State of that or any other provision.

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

SIGNATURE PAGE TO FOLLOW

City/State
Agreement No.30695

CITY OF HERMISTON, by and through its
elected officials

By _____
Mayor (or other assigned designee)

Date _____

By _____
City Recorder (or other assigned
designee)

Date _____

**APPROVED AS TO LEGAL
SUFFICIENCY** (If required in City process)

By _____
City Counsel

Date _____

City Contact:
Byron Smith, City Manager
City of Hermiston
180 NE 2nd Street
Hermiston, Oregon 97838
(541) 567-5521
city@hermiston.or.us

State Contact:
Mike Barry, Local Agency Liaison
Oregon Department of Transportation
3012 Island Avenue
La Grande, Oregon 97850
(541) 963-1353
Michael.p.barry@odot.state.or.us

STATE OF OREGON, by and through its
Department of Transportation

By _____
Highway Division Administrator

Date _____

APPROVAL RECOMMENDED

By _____
Region 5 Manager

Date _____

By _____
State Right of Way Manager

Date _____

By _____
State Traffic Engineer

Date _____

**APPROVED AS TO LEGAL
SUFFICIENCY**

By _____
Assistant Attorney General

Date _____

EXHIBIT A – Project Location Map

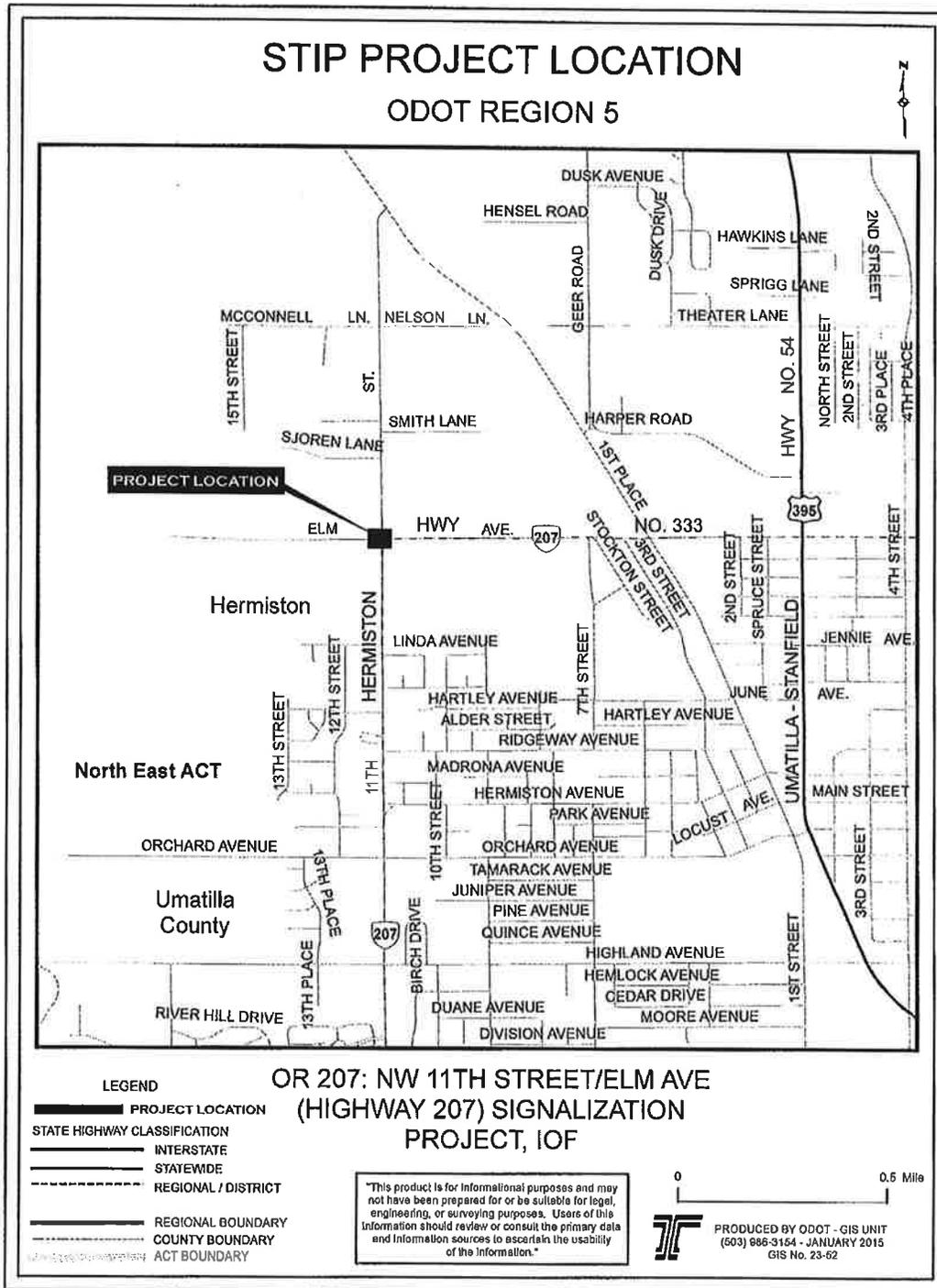


EXHIBIT B



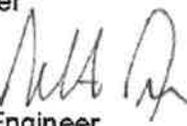
INTEROFFICE MEMO

TECHNICAL SERVICES
Traffic-Roadway Section
Office Phone: (503) 986-3568
FAX Phone: (503) 986-3749

DATE: September 8, 2014

File Code: Hwy 333 MP 8.07

TO: Jeffrey Wise, P.E., P.T.O.E.
Region 5 Traffic Engineer

FROM: Bob Pappé, P.E., P.L.S. 
State Traffic/Roadway Engineer

SUBJECT: Traffic Signal Approval Request
OR 207 (Hermiston Highway) @ W Elm Avenue and NW 11th Street
City of Hermiston
Umatilla County

We have reviewed your request to install a new traffic signal at the intersection of OR 207 (Hermiston Highway, Hwy No. 333 MP 8.07) and W Elm Avenue/ NW 11th Street in Umatilla County. The request also includes addition of a signalized right-turn slip lane for northbound direction.

This intersection has some unique operational characteristics. The existing intersection has four approaches; however 3 of the 4 approaches (northbound, southbound, and eastbound) are stop controlled. The westbound movements are permitted to proceed without stopping. There is a dedicated right-turn lane for northbound direction and the right-turn is permitted without stopping from this lane. Traffic volumes for westbound left-turn and northbound right-turn movements are much heavier than those for other movements. Because of these operational characteristics, sometimes side street traffic, bicyclists, and pedestrians have difficulties finding gaps to navigate through this intersection safely. Installation of a traffic signal at this intersection will likely help alleviate these problems. This intersection meets MUTCD Signal Warrant 2 (Four-Hour Vehicular Volume).

In accordance with OAR 734-20-0410, I approve this request. The approval is based on our review of the information you submitted. It is expected that the proposed signal installation will improve the overall operations and safety of this intersection. The approval has the following stipulations:

- The design and operation will be according to the **Manual on Uniform Traffic Control Devices** (2009 edition), **ODOT'S Traffic Signal Policy and Guidelines**, and **ODOT's Traffic Signal Design Manual**.

- Lane configuration and phasing shall be designed according to the attached Preliminary Signal Operations Design Report signed by the Region Traffic Operations Engineer.
- This office must approve the final signal design plans.

If you have concerns or questions regarding this approval, please contact Craig Black at 503-986-3576.

Attachment: Preliminary Signal Operations Design Report
ZS/lbm

Electronic Copies to:

Scott Cramer, Traffic Standards
Craig Black, Traffic Operations
Don Fine, Region 5 Traffic
Dan Fine, Region 5 Traffic



Preliminary Signal Operations Design

Traffic-Roadway Section
 Traffic Engineering Unit
 Phone: (503) 986-3568

Project: OR207: 11th & Elm Signal (Hermiston) Key #: N/A Date: July 17th, 2014
 Location: OR207 @ Elm Ave City: Hermiston County: Umatilla
 Highway: Hermiston Highway Hwy No: 333 Mile Point: 8.07

Existing Information

Lane Configuration

Crosswalks

North Approach
 South Approach
 East Approach
 West Approach

Traffic Control

3-Way Stop*
 All-Way Stop
 Signalized

Bike Lanes

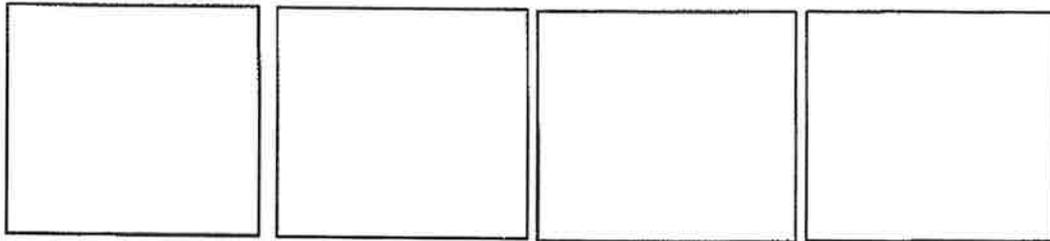
North Approach
 South Approach
 East Approach
 West Approach

Posted Speed Limit

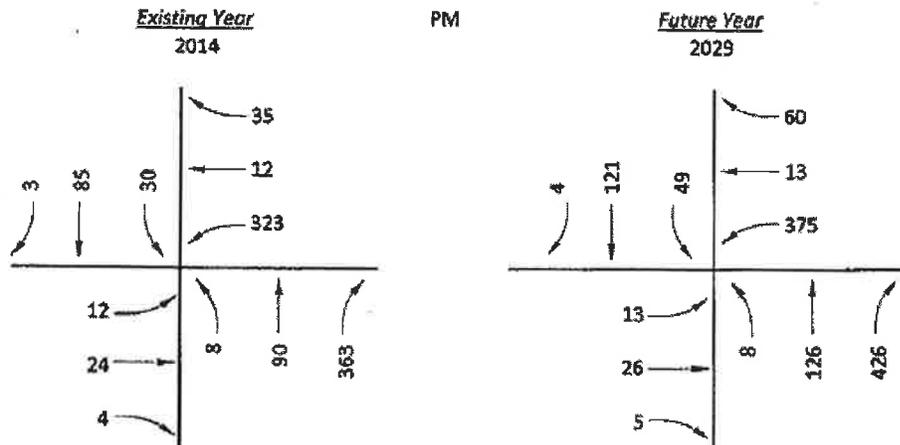
Highway: 30 mph
 Side Street: 35 mph

* North, south, and west approaches are stop-controlled (northbound right-turn permitted without stopping).

Existing Vehicle and Pedestrian Phasing (if Signalized) N/A



Traffic Volumes



Other Relevant Information

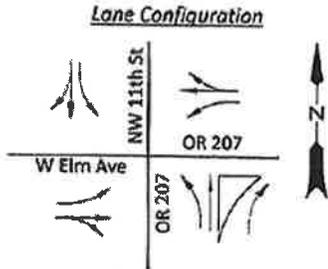
Existing and future year volumes are seasonally adjusted. Future volumes also include current development growth.



Preliminary Signal Operations Design

Traffic-Roadway Section
 Traffic Engineering Unit
 Phone: (503) 986-3568

Recommended Signal Design



Crosswalks

- All crosswalks provided
- Following crosswalks closed
 - North Approach
 - South Approach
 - East Approach
 - West Approach

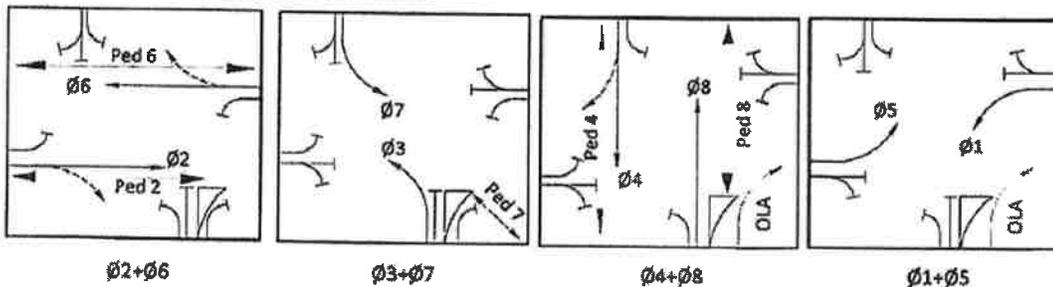
Bike Lanes

- North Approach
- South Approach
- East Approach
- West Approach

Other Required Features

- Signal interconnect to: Signal @ Elm and 1st Place
- Communication type: EnCom Radio/Ethernet
- 2070 controller
- Illumination
- Audible/accessible pedestrian signals
- Railroad preemption
- Other: _____

Recommended Vehicle and Pedestrian Phasing



Notes regarding right-turn lane control

OLA = Ø1+Ø8

Northbound right-turn slip lane will be signal controlled.

Primary considerations used to determine left-turn phasing

All left-turn movements will be protected only. Phase 1 will be min recalled.

Considerations for mitigating bike-vehicle conflicts (if any)

Bike lanes will be provided on all approaches.

Design Vehicle Information (to be confirmed with Roadway Designer)

Design for

Design Vehicle:

If Bus or Other, specify: _____

Accommodate

Recommended by:

Daniel Fine

Region Signal Operations Engineer

COUNCIL REPORT

For Meeting of February 8, 2016

MAYOR AND MEMBERS OF THE CITY COUNCIL

NO. 2016-

**SUBJECT:
EOTEC Financing
Agreement
Resolution Update**

Subject

Eastern Oregon Trade and Event Center (EOTEC) Financing Agreement

Summary and Background

This item is returning to you for discussion and action because of the differences between Cities and Counties and their authority to borrow money. We learned that Counties in Oregon are not allowed to borrow money by pledging land as collateral. They are allowed to pledge their Full Faith and Credit. So on January 19, 2016, the Umatilla County Board of Commissioners voted 2-0 (with one absent) to allow the EOTEC Authority to borrow up to \$1.5 million to be used for the fundraising program backed by the County's Full Faith and Credit.

Below is background information presented to you in December 2015 related to the need for this action:

In the Intergovernmental Agreement between the City of Hermiston and Umatilla County forming the EOTEC Authority, a provision was added to make it difficult for this new entity to take on debt. That provision requires the Authority to get permission from both the City Council of the City of Hermiston and the Umatilla County Board of Commissioners. This permission must be granted after each entity holds a public hearing on the subject.

EOTEC came before the City Council a couple of months ago requesting additional funding for capital construction. They have been going to other sources for this funding as well. One of those sources is the generous residents and companies that make this area their home. This private fundraising effort pursued by the EOTEC board through a volunteer fundraising committee is planning to offer large donations to be spread out over either two or five years depending on the size of the donation. In order to still get the capital into the process in a timely manner this money will need to be provided by a lending institution. The lending institutions we have worked with have asked for collateral and for EOTEC to enter into a financing agreement.

EOTEC has pursued a couple of different options for this money but has not finalized with any source. There may be opportunity to utilize multiple sources to get to the necessary amount depending on the timing for the use of these funds. It is anticipated that the full \$1.5 million won't be necessary but because the final details are not yet available EOTEC is asking for this as the upper limit. The final amount would be

City of Hermiston

decided based on signed agreements with donors and the timing of construction at EOTEC.

Fiscal Information

The pledging of the City's Full Faith and Credit is not a direct financial impact to the City. The negative impact would come in a scenario where the City might want to borrow in the future and have less capacity to borrow.

Alternatives and Recommendation

Alternatives

1. Adopt Resolution 2015 as drafted.
 - a. This alternative allows EOTEC to finalize financing agreements that will secure the final piece of the capital funding puzzle.
 - b. This alternative creates some potential liability if the fundraising donors don't follow through and default on their commitments.

2. Do not approve Resolution 2015 as drafted.
 - a. This alternative would halt EOTEC's efforts to finish a private fundraising campaign to complete EOTEC Phase I.

Recommendation

Staff recommends the selection of Alternative #1 to authorize the EOTEC Board to enter into necessary financing agreements to finish capital construction of Phase I.

Requested Action/Motion

Motion to approve Resolution 2015 as drafted.



City Manager Approval

RESOLUTION NO. 2015

A RESOLUTION OF THE CITY OF HERMISTON AUTHORIZING THE BOARD OF THE EASTERN OREGON TRADE AND EVENT CENTER AUTHORITY TO ENTER INTO ONE OR MORE FINANCING AGREEMENTS TOTALING UP TO \$1.5 MILLION TO ASSIST IN FUNDRAISING EFFORTS RELATED TO CAPITAL CONSTRUCTION AND AUTHORIZING THE CITY TO PLEDGE ITS FULL FAITH AND CREDIT TO GUARANTEE THE FINANCING AGREEMENTS.

WHEREAS, the City of Hermiston and Umatilla County legally established the Eastern Oregon Trade and Event Center (EOTEC) Authority through an Intergovernmental Agreement (IGA) on March 15, 2012; and

WHEREAS, the construction of the EOTEC project will provide a home for the Umatilla County Fair, the Farm-City Pro Rodeo and many other future events, and

WHEREAS, great efforts have been made to secure resources from the State of Oregon, and

WHEREAS, more great efforts are being initiated to raise funds from Umatilla County sources, and

WHEREAS, the EOTEC IGA states that the Authority can enter into financing agreements after the Hermiston City Council and the Umatilla County Board of Commissioners hold public hearings and give authorization; and

WHEREAS, the Umatilla County Board of Commissioners has approved EOTEC obtaining a loan for the EOTEC Project in an amount not to exceed \$1.5 million and the pledge of Umatilla County's full faith and credit to guarantee such loan.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Hermiston, Oregon, as follows:

That the EOTEC Authority Board is authorized to enter into one or more financing agreements totaling up to \$1.5 million and the City is authorized to pledge its full faith and credit to guarantee the financing agreements to assist in capital construction fundraising efforts. The City is authorized by ORS 271.390 to enter into financing agreements to finance any real or personal property that the governing body of the City determines is needed. Further, the guarantee is not considered voluntary floating indebtedness because the financing agreements are expected to be paid entirely from the proceeds of fundraising efforts.

PASSED by the Common Council this 8th day of February, 2016.

Signed by the Mayor this 8th day of February, 2016.

MAYOR

ATTEST:

ASSISTANT CITY RECORDER

STAFF REPORT

For Meeting of February 8th, 2016

Mayor and Members of the City Council

Agenda Item #
NO. 2016-

SUBJECT:
Public Notice of
May 17, 2016
Primary Election

Subject

Public Notice of May 17, 2016 Primary Election

Summary and Background

Notice is being given that on May 17, 2016 the City of Hermiston will hold an election for the following elected positions:

Mayor- Four year term

Municipal Judge – Two year term

The City Charter states the At-Large Council elections are held only at the General Election in November. At-Large Council candidates must file by August 30, 2016. Public Notice will also be given for the At-Large Council Positions later this year.

Attached you will find the proposed Public Notices for the Primary Election.

Attachment A will be published in the Hermiston Herald.

Attachment B will be posted at the following locations: City Hall, Library, Post Office, and on the City's website.

Fiscal Information

Apart from a modest publication cost, there is no financial impact.

Recommendation

Post notice of Primary Election.

Requested Action/Motion

Motion to direct the City Recorder to post notice of the Primary Election.



Submitted by:



City Manager Approval:

City of Hermiston

Attachment A

CITY OF HERMISTON
NOTICE OF ELECTION OF CITY OFFICIALS

Notice is hereby given that on Tuesday, May 17, 2016, an election will be held in the City of Hermiston, Umatilla County, Oregon for office of the following:

Mayor – Four year term

Municipal Judge – Two year term

Candidates must file for office by submitting their completed declaration of candidacy to the City Recorder no later than 5:00pm on March 8, 2016. Forms are available at City Hall, 180 NE 2nd Street, Hermiston, OR 97838 or at <http://sos.oregon.gov/elections/Pages/manuals-tutorials.aspx> .

Amy Palmer, City Recorder

Attachment B

City of Hermiston

NOTICE OF ELECTION OF CITY OFFICIALS

Notice is hereby given that on Tuesday, May 17, 2016 an election will be held in the City of Hermiston, Umatilla County, Oregon for your choice of candidates for the office of Mayor and Municipal Judge. The election will be conducted by mail. Your choice of candidates will be presented upon the official ballot and shall be voted upon by all qualified voters of the City.

Filing for Position

City elections shall be held at the same times and places as general state elections in accordance with applicable state election laws. The election offices and precincts for such elections shall be the same as for regular state elections. Elections shall be nonpartisan. The filing deadline for positions of Mayor and Municipal Judge is 5:00 pm March 8, 2016.

Filing Instructions

The filing forms and manuals are available at City Hall or online at the Secretary of State's website which is listed below.

<http://sos.oregon.gov/elections/Pages/manuals-tutorials.aspx>

Forms are to be filed with the City Recorder at:

City Hall
180 NE 2nd Street
Hermiston, OR 97838

Qualifications for Mayor and Municipal Judge

No person shall be eligible to the office of Mayor or Municipal Judge unless at the time of their election he or she is a qualified voter of the state and has resided in the City for one year immediately preceding their nomination or declaration for the office. A map of the wards is available on the City of Hermiston website at <http://www.hermiston.or.us/government/city-council>.

Positions and Terms

Mayor – Four Year Term

Municipal Judge – Two Year Term

If at the May election (the third Tuesday of May), two (2) or less candidates file nomination petitions or declarations of candidacy for the position of Mayor or Municipal Judge, then the May election shall be considered the general election.

If three (3) or more candidates file, then the May election shall be considered the primary election and the two (2) candidates receiving the highest number of votes shall be the nominees whose names shall appear on the ballot for a November general election. Should any candidate receive a majority of all votes cast for the office at the May 17, 2016 election, then the name of that candidate shall be printed separately on the ballot at the general election under the designation equivalent to "Vote for One" and no other name shall be printed on the ballot in opposition to such candidate. One space, however, shall be left following such name in which the voter may insert the name of any person for whom the voter wishes to cast a ballot.

Amy Palmer, City Recorder

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
December 2015

2015-2016 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

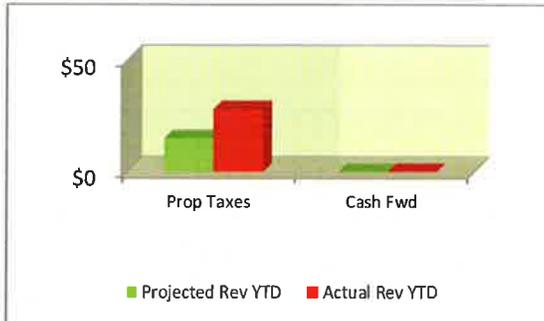
For the Month Ending Dec 31, 2015

Resources

by Category

Through Dec 31, 2015

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 15	\$ 15	\$ 28	\$ 13	0%
Cash Fwd	60	-	-	-	0%
Total	\$ 75	\$ 15	\$ 28	\$ 13	0%

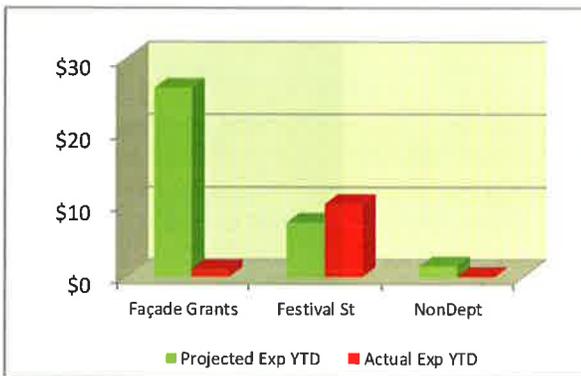
Note: variance is calculated as a percent of projected revenue YTD.

Expenditures

by Character

Through Dec 31, 2015

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 52	\$ 26	\$ 1	\$ 25	96%
Festival St	15	8	10	(3)	(33%)
NonDept	3	2	-	2	0%
Res for Fut Exp	5	-	-	-	0%
Total	\$ 75	\$ 35	\$ 11	\$ 24	0%

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

Property taxes, which are due in November, are the primary revenue source for HURA. As of the end of December approximately \$28,000 has been received, which is \$13,000 more than the estimate for the fiscal year. During December a \$1,000 grant was made to the Hermiston Herald for landscape improvements bringing the year-to-date expenditures to \$11,500.

2015-2016 Monthly Financial Report

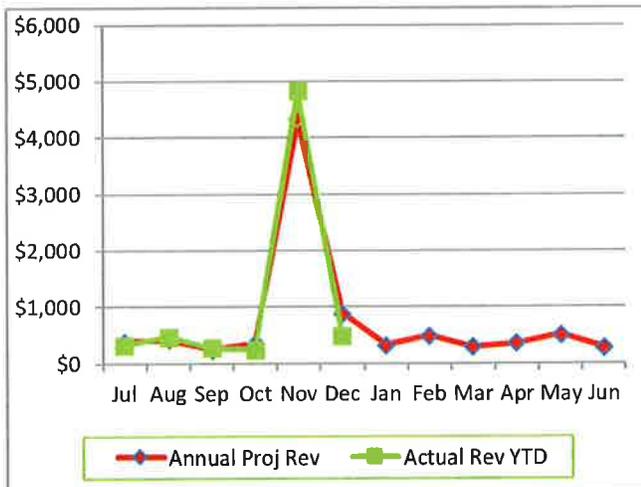
City of Hermiston, Oregon
General Fund Resources

For the Month Ending Dec 31, 2015

Through Dec 31, 2015

All Resources

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	\$ 393	\$ 393	\$ 332	\$ (61)	(15%)
Aug	418	418	478	60	14%
Sep	242	242	280	38	16%
Oct	355	355	251	(105)	(29%)
Nov	4,330	4,330	4,829	499	12%
Dec	885	885	486	(399)	(45%)
Jan	333	-	-	-	-
Feb	490	-	-	-	-
Mar	293	-	-	-	-
Apr	360	-	-	-	-
May	517	-	-	-	-
Jun	285	-	-	-	-
Total	8,902	6,623	6,656	33	0%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 6,623	\$ 6,656	\$ 33	0%

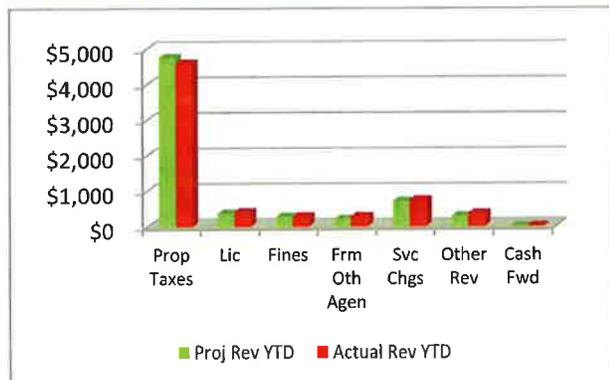
Midway through the fiscal year the City has received \$6,656,000 in General Fund revenues. This is just slightly above the year-to-date projection of \$6,623,000. The largest variances are in Property Taxes - a shortage of \$167,000 - Receipts from Other Agencies, with a favorable \$68,000 and Other Revenue with a favorable \$65,000 variance. Other Revenue includes Interest Earnings, repayment of Interfund Loans, Miscellaneous Sales, and Nuisance Abatement assessments.

General Fund Revenue

Through Dec 31, 2015

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,265	\$ 4,762	\$ 4,594	\$ (167)	(4%)
Lic	774	368	406	38	10%
Fines	583	276	278	2	1%
Frm Oth Agen	445	210	279	68	32%
Svc Chgs	1,323	711	738	27	4%
Other Rev	513	296	361	65	22%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 6,623	\$ 6,656	\$ 33	0%

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

2015-2016 Monthly Financial Report

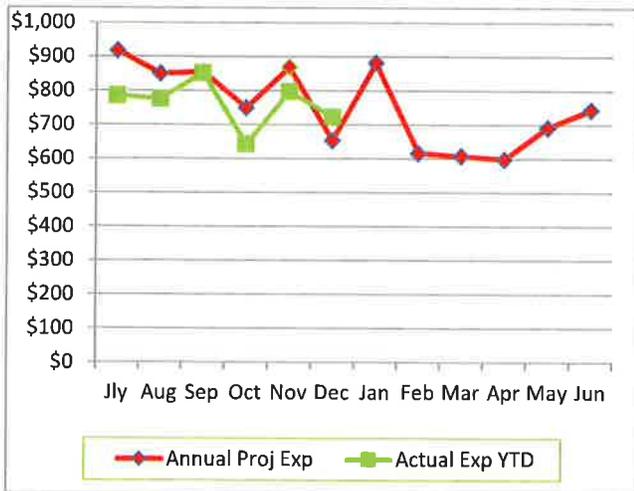
City of Hermiston, Oregon
General Fund Expenditures
For the Month Ending Dec 31, 2015

General Fund Expenditure Summary

Through Dec 31, 2015

All Requirements

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	\$ 918	\$ 918	\$ 786	\$ 132	14%
Aug	850	850	777	73	9%
Sep	855	855	853	3	0%
Oct	750	750	643	107	14%
Nov	870	870	798	72	8%
Dec	654	654	724	(70)	(11%)
Jan	882				
Feb	617				
Mar	608				
Apr	599				
May	692				
Jun	744				
Total	9,039	4,897	4,581	316	6%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 4,897	\$ 4,581	\$ 316	6%

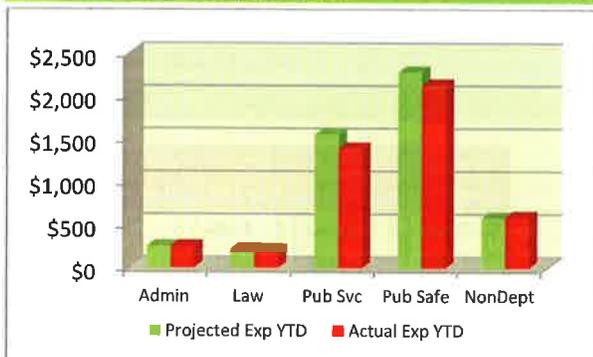
General Fund expenditures are under projections by \$316,000, a 6% favorable variance. Continuing the pattern we have seen in prior months, the largest savings are in Public Services and Public Safety.

General Fund Expenditures

Through Dec 31, 2015

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 490	251	251	\$ (0)	0%
Law	440	221	209	12	5%
Pub Svc	2,879	1,558	1,392	166	11%
Pub Safe	4,330	2,285	2,136	149	7%
NonDept	901	582	592	(10)	(2%)
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 4,897	\$ 4,581	\$ 316	6%

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

2015-2016 Monthly Financial Report

General Fund Expenditure Detail
For the Month Ending Dec 31, 2015

General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	32,150	16,916	22,579	(5,663)	(33%)
City Manager/Planning	402,398	207,788	202,920	4,868	2%
Finance	54,964	26,309	25,987	322	1%
Total Admin & Finance	489,512	251,014	251,486	(472)	(0%)
Legal	187,700	92,465	87,306	5,159	6%
Court	251,904	128,861	122,185	6,676	5%
Total Dept of Law	439,604	221,325	209,491	11,834	5%
Transportation	188,375	96,606	78,502	18,104	19%
Airport	241,640	155,955	85,252	70,703	45%
Bldg Inspection	343,262	170,985	167,261	3,724	2%
Parks	477,440	246,024	225,359	20,665	8%
Pool	389,229	266,684	235,441	31,243	12%
Municipal Buildings	12,900	5,816	6,727	(911)	(16%)
Library	689,266	346,606	326,841	19,765	6%
Recreation	537,300	268,833	266,418	2,415	1%
Total Public Services	2,879,412	1,557,509	1,391,801	165,708	11%
Public Safety Center	92,000	46,657	43,219	3,438	7%
Police Operations	4,237,982	2,238,510	2,092,948	145,562	7%
Total Public Safety	4,329,982	2,285,167	2,136,167	149,000	7%
Non-Departmental	900,565	582,352	592,246	(9,894)	(2%)
Unappropriated	3,676,280	0	0	0	0%
Total Non-Dept	4,576,845	582,352	592,246	(9,894)	(2%)
Total	12,715,355	4,897,367	4,581,191	316,176	6%

The City Council is over its projected expenditures year to date by approximately \$5,700. As expected, this variance has decreased from last month's variance of \$7,000. The overage is due to the timing of most council training opportunities. They come early in the fiscal year and this year this was exacerbated because more councilors were able to participate in the National League of Cities conference. The overall training budget has not been exceeded and we anticipate the overall budget will still be sufficient through the end of the fiscal year.

The Airport continues to show a significant favorable variance in December. Continuing the trend we have seen in previous months fuel sales are down due to the construction work on the taxiway and with fuel sales down, the corresponding expenditures to purchase fuel are also down.

The Police Department also continues to be under projections with a \$146,000 favorable variance primarily due to savings in overtime and nuisance abatement.

2015-2016 Monthly Financial Report

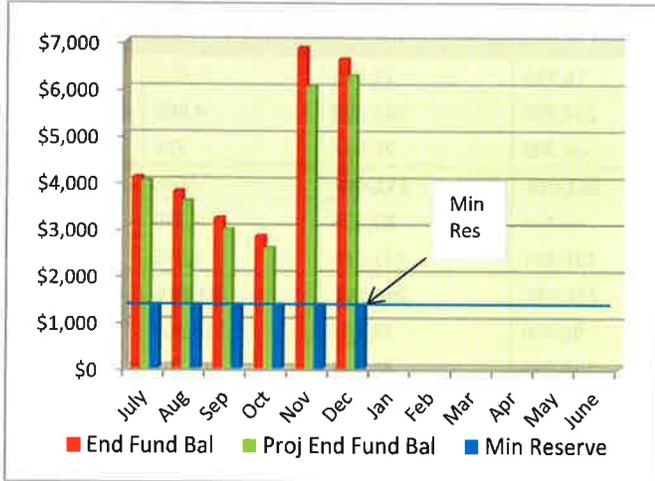
Fund Balance - General Fund
For the Month Ending Dec 31, 2015

General Fund

Through Dec 31, 2015

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$1,355,861

	Begin Fund Bal	Rev	Exp	End Fund Bal	Proj End Fund Bal
July	\$ 4,547	\$ 332	\$ (786)	\$ 4,093	\$ 4,022
Aug	4,093	478	(777)	3,794	3,590
Sep	3,794	280	(853)	3,221	2,977
Oct	3,221	251	(643)	2,829	2,581
Nov	2,829	4,829	(798)	6,860	6,041
Dec	6,860	486	(724)	6,622	6,273
Jan					
Feb					
Mar					
Apr					
May					
June					
Total	\$ 4,547	\$ 6,656	\$ (4,581)	\$ 6,622	\$ 6,273

Almost 90% of the property taxes have been received to date bringing the fund balance in the General Fund to \$6.7 million. This is an increase of \$2.2 million since the beginning of the fiscal year and puts the fund \$5.3 million above the required reserve of \$1.4 million.

2015-2016 Monthly Financial Report

Special Revenue Funds Report For the Month Ending Dec 31, 2015

Special Revenue Funds Resources & Requirements

	2015-16 Annual		Remaining Budget
	Budget	Actual YTD	
Bonded Debt Fund			
Resources	3,767,354	1,340,242	2,427,112
Expenditures	3,527,354	1,428,305	2,099,049
Unappropriated Balance	240,000	N/A	N/A
Transient Room Tax (TRT)			
Resources	573,335	303,070	270,265
Expenditures	520,000	283,659	236,341
Unappropriated Balance	53,335	N/A	N/A
Recreation Special Revenue			
Resources	239,000	15,000	224,000
Expenditures	57,086	57,085	1
Unappropriated Balance	181,914	N/A	N/A
Reserve Fund			
Resources	10,006,060	2,020,118	7,985,942
Expenditures	7,798,912	2,430,317	5,368,595
Unappropriated Balance	2,207,148	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	125,559	156,341
Expenditures	246,900	121,293	125,607
Unappropriated Balance	35,000	N/A	N/A
Miscellaneous Special Revenue			
Resources	30,000	11,744	18,256
Expenditures	30,000	11,713	18,287
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	249,975	114,627	135,348
Expenditures	192,475	109,937	82,538
Unappropriated Balance	57,500	N/A	N/A
EOTEC Grant Fund			
Resources	5,400,000	-	5,400,000
Expenditures	5,400,000	1,590,192	3,809,808
Unappropriated Balance	-	N/A	N/A
Law Enforcement Special Revenue			
Resources	71,500	30,532	40,968
Expenditures	43,500	23,718	19,782
Unappropriated Balance	28,000	N/A	N/A

Beginning with the 2015-16 fiscal year the City began estimating all of its resources in each fund and only appropriating what it projects it will need for that year. The remainder is carried in the fund as Unappropriated Balance.

The Reserve Fund budget has been increased by \$2,916,000 to reflect the FAA grant for the Airport.

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 and are 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.

2015-2016 Monthly Financial Report

Special Revenue Funds Report
For the Month Ending Dec 31, 2015

Special Revenue Funds Resources & Requirements

	2015-16 Annual		Remaining
	Budget	Actual YTD	Budget
Library Special Revenue			
Resources	58,000	18,739	39,261
Expenditures	46,000	8,681	37,319
Unappropriated Balance	12,000	N/A	N/A
2014 Water & Sewer Rev Bonds			
Resources	1,300,000	623	1,299,377
Expenditures	1,300,000	487,246	812,754
Unappropriated Balance	-	N/A	N/A
Senior Center Const			
Resources	2,073,360	5,490	2,067,870
Expenditures	2,073,360	11,675	2,061,685
Unappropriated Balance	-	N/A	N/A

2015-2016 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending Dec 31, 2015

Utility and Street Funds Report

Resources & Expenditures

	2015-16 Annual			Variance	
	Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
<u>Street Fund</u>					
Resources	2,017,500	690,872	737,313	46,441	7%
Expenditures	1,348,785	897,830	866,191	31,639	4%
Unappropriated Balance	668,715	N/A	N/A	N/A	N/A

<u>Utility Fund</u>					
Resources	8,480,520	2,865,419	2,950,800	85,381	3%
Expenditures	5,821,305	2,149,016	2,211,861	(62,845)	(3%)
Unappropriated Balance	2,659,215	N/A	N/A	N/A	N/A

<u>HES Fund</u>					
Resources	11,435,765	4,865,680	4,868,856	3,176	0%
Expenditures	8,697,002	4,472,155	4,260,265	211,890	5%
Unappropriated Balance	2,738,763	N/A	N/A	N/A	N/A

<u>Regional Water Fund</u>					
Resources	2,102,000	625,159	711,626	86,467	14%
Expenditures	1,324,398	615,635	536,233	79,402	13%
Unappropriated Balance	777,602	N/A	N/A	N/A	N/A

The Street Fund has favorable variances in both revenues and expenditures. Gasoline taxes are coming in higher than projections and personnel costs and materials and services are lower than expected.

Revenues continue to come in higher than anticipated in the Utility Fund. Water revenues are up \$47,000 and Recycled Water revenues are up \$33,500. Expenditures are over projections by almost \$63,000. Approximately half of this is due to repairs on two pumps and replacement of lab equipment in the Sewer Division. These will be included in the spring budget supplement. The other half is in the Water Division, which has fully expended Dues & Membership and has spent about 88% of its Miscellaneous Contractual budget. Most of the Miscellaneous Contractual expenditures were for the City's portion of the Department of Transportation project on Hwy 395. These costs will also be included in the budget supplement.

HES revenues are virtually right on target while expenditures are 5% under at \$211,890. Most of the variance is due to power purchases. Even with the December invoice included, the purchased power expenditures are still under projections by almost \$163,000.

Actual revenues are \$86,467 over projections in the Regional Water Fund, a 14% variance. \$81,000 of this variance is in non-potable receipts. Actual expenditures are \$79,400 under projections, a positive 13% variance. Most of the savings are in labor at the River Intake Station, Miscellaneous Contractual and electricity and chemicals in the potable water division.

2015-2016 Monthly Financial Report

Utility and HES Funds Report For the Month Ending Dec 31, 2015

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,056,640	3,628,456	62.3%	717,695	2,910,761
HES Fund	3,157,652	4,071,526	46.8%	1,072,233	2,999,293
Total	6,214,292	7,699,982	-	1,789,928	5,910,054

The City Council has established a minimum working capital (current assets less current liabilities) of forty-five (45) days of annual operating expenses for both the Utility Fund and HES Fund. This equates to \$717,695 for the Utility Fund and \$1,072,233 for the HES Fund. Both funds have balances well above their minimum levels for a total reserve of \$7.7 million.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending Dec 31, 2015

Capital Projects

	2015-16 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 3,531,000	\$ 1,127,011	\$ 3,566,000	\$ 1,392,385	---
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	350,000	50,306	1,800,000	742,403	100%
EOTEC Construction	5,400,000	1,590,192	6,400,000	4,488,998	70%
RWTP Outfall	-	151,738	2,500,000	1,315,693	100%
Water Line Extension	1,026,200	307,461	1,250,000	803,516	64%
Total	\$ 10,307,200	\$ 3,226,708	\$ 15,516,000	\$ 8,742,995	---

Airport Improvements

The taxiway project has been winterized, and only minor electrical work was done on-site in December. The taxiway relocation portion is approximately halfway complete. The new Fuel Farm will be installed along with the second half of the taxiway in the Spring. The airport has remained operational all winter, with no construction-related problems.

EOTEC Pipeline

This project is now complete.

EOTEC Construction

Construction of the Event Center continues on schedule with occupation expected to occur in March 2016. Bidding will soon begin on a number of the final pieces of the overall project and the community fundraising is making good progress.

RWTP Outfall

This project is now finished.

Water Line Extension

The installation of the pump in the Non-Potable #2 pump station was delayed in December but expected to be completed in January.

2015-2016 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending Dec 31, 2015

Investment Report
by Type

Cusip No.	Par Value	Principal Cost	Market Value	Issuer	Rating Moody's/S&P	Days to Maturity	Callable Y/N	Yield to Worst Call	Yield to Maturity (YTM)
3135G0G31	\$ 2,000,000	\$ 1,993,600	\$ 1,982,192	FNMA	Aaa/AA+	1,125	Y	1.28	1.28
3134G33E8	\$ 1,000,000	\$ 997,073	\$ 984,760	FHLMC	Aaa/AA+	1,471	Y	1.57	1.57
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 1,979,338	FFCB	Aaa/AA+	1,373	Y	1.71	1.71
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 990,823	FHLMC	Aaa/AA+	743	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,003,877	FNMA	Aaa/AA+	396	N	0.78	0.78
US Agencies	\$ 7,000,000	\$ 6,969,081	\$ 6,940,990	---	---	---	---	---	---
LGIP ^{(1) (2)}	\$ 5,682,467	\$ 5,682,467	\$ 5,682,467	Varies	---/AA	1	N	0.59	0.59
LGIP	\$ 5,682,467	\$ 5,682,467	\$ 5,682,467	---	---	---	---	---	---
TOTAL	\$ 12,682,467	\$ 12,651,548	\$ 12,623,457	---	---	---	---	---	---

The City of Hermiston has established certain policies for its investments. In order to limit credit and interest rate risk, investments are diversified by security type, maturity, issuer, and call provisions. At least 25% of funds available for investing will be invested in the Local Government Investment Pool (LGIP), with a qualified depository institution, or investments maturing in less than 90 days. 50% or more of the portfolio will be invested in securities maturing in less than three years. The maximum average maturity for the portfolio shall be 3 years and the maximum maturity of individual securities in the portfolio shall be 5 years. No more than 75% of the portfolio may be callable. The minimum weighted average credit rating of the portfolio's investments shall be Aa/AA by Moody's and Standard & Poor's respectively. The breakdown of the City's portfolio is shown below.

Maturity	Par Value	% of Total Portfolio	Type of Inv	Par Value	% of Total Portfolio	Various Investment Parameters	With LGIP	Without LGIP
< 90 Days	\$ 5,682,467	44.8%	US Agency	\$ 7,000,000	55.2%	WTD Avg Mat	600	600
90 Days - 3 Yrs	\$ 2,000,000	15.8%	Corporate	\$ -	0.0%	Wtd Avg Yield to Mat	1.02%	1.37%
3 - 5 Yrs	\$ 5,000,000	39.4%	LGIP	\$ 5,682,467	44.8%	Percent Callable	39.4%	71.4%
	\$ 12,682,467	100.0%		\$ 12,682,467	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+