

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 McMahon, 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

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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.

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Regular Meeting

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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.

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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.

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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